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The Authoritative Reference on Congress

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BUSINESS COUNCIL

Secretary of the Treasury Douglas Dillon and Dr. Walter W. Heller, chairman of the President's Council of Economic Advisers, stressed the need for cooperation between business and Government in addresses at an Oct. 20-21 meeting of the Business Council in Hot Springs, Va. Dillon said that by late winter or early next spring the Treasury Department would have ready new depreciation schedules for business to permit larger annual tax deductions on the costs of new machinery and equipment, "to increase industry's competitive efficiency." Heller said the government's plea for price stability did not mean a "freeze" on profits, but that everyone who favored full recovery and a faster rate of economic growth was "tied by the bonds of logic to the cause of price stability."

The appearance of Dillon and Heller at the annual meeting marked an Administration effort to reestablish a cordial relationship with the Council. The Council was known as the Business Advisory Council before it severed its quasi-official relationship with the Commerce Department July 10 after a period of friction between the group and Commerce Secretary Luther H. Hodges. Hodges had sought to restrict and control the Council's activity through expansion of its membership, with him as chairman and open meetings whenever a federal official made a formal address. In its July 10 action, the group changed its name and announced it was a private organization willing to advise any federal department or agency on governmental matters affecting business. President Kennedy made his first "peace move" Sept. 22, when he received about 50 Council members at the White House. A White House official said the meeting was "extremely cordial". The Council, headed by Roger M. Blough, U.S. Steel board chairman, has approximately 160 members representing the nation's biggest businesses. (Weekly Report p. 1264)

Dillon also told the business group, "the President intends to submit a balanced budget to the Congress next year." He later told newsmen he believed the government must "do everything we can" to achieve a balance without raising taxes because "the income tax burden is high enough -- probably too high." Dillon told the Council there was "urgent need" for cooperation between business and government in the field of foreign aid for underdeveloped countries, and if the U.S. was to outsell foreign competitors in world markets,

"we must forego all but the absolute minimum of price increases".

Heller, explaining the Administration's thinking on price stability, said, "when wages rise proportionally to productivity, it does not mean that wages absorb all of the productivity increase." He said any wage increases or fringe benefits sought by unions should be tied to productivity and raised by no more than the percentage increase in productivity -- output per man hour. He said "immediate prospects" for price stability were "good," but the next "critical period may come in the second half of 1962." At that time, Heller said, "we will probably not have reached full employment but we will have reached about the stage of the business cycle we reached in 1959, and did not then manage to surpass." "The test next year will be whether the surge of recovery will continue toward full employment, or whether a revival of creeping inflation will hamper our efforts to use the full potential of the economy in the service of our national goals," he said.

Council chairman Blough told newsmen he found Heller's address "thought-provoking" but considered it "unrealistic" to talk of price stability without also considering cost stability -- the upward push of wages and other costs of doing business.

GILPATRIC SPEECH

Deputy Defense Secretary Roswell L. Gilpatric, Oct. 21 told the Council a "restatement" of U.S. defense policy was in order because of possible "misinterpretation" or "misunderstanding" of it. The Defense Department said his speech, regarded as a major Administration statement of defense policy, had been cleared "at the highest levels of the Government."

Gilpatric said: the U.S. "has a nuclear retaliatory force of such lethal power that an enemy move which brought it into play would be an act of self-destruction on his part"; "the total number of our nuclear delivery vehicles, tactical as well as strategic, is in the tens of thousands, and of course, we have more than one warhead for each vehicle"; the U.S. had: 600 B-52s and more medium bombers "capable of reaching Russia"; "dozens" of ICBM's, and aircraft carriers and land forces able to deliver "additional hundreds of megatons"; "our forces are so deployed and protected that a sneak attack could not effectively disarm us," and that U.S. confidence was "based upon a sober appreciation of the relative military power of the two sides."

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1962 CONGRESSIONAL PROGRAM

Senate Majority Leader Mike Mansfield (D Mont.) Oct. 25 said that an Administration proposal in 1962 to renew the expiring Reciprocal Trade Agreements Act probably would be one of the most controversial items of the session. Because of a shift in the nation's economy, Mansfield said, some "Members of Congress who have been among the strongest supporters of the reciprocal trade program now must be listed as critics of it, or at least put in the doubtful category." (Weekly Report p. 1347)

Mansfield also said that the President would make a "vigorous pitch for a general school aid bill" in 1962, but because of the fall elections and the fact that none of the federal education programs would expire in 1962, Mansfield thought it was "doubtful we will be able to get a general bill." (Weekly Report p. 1612)

In addition, he said, if the House passed a program of medical care for the aged as part of the Social Security system, the Senate probably would approve it, but he declined to "forecast what the House will do." He said the same was true for proposals to revise the tax laws and incentives for business plant investment, all of which must originate in the House because they had revenue-producing aspects. (Weekly Report p. 1612)

WELFARE LAW REFORM

Health, Education, and Welfare Secretary Abraham A. Ribicoff Oct. 23 told the second National Conference on the Churches and Social Welfare, "We are going to try to change the welfare laws" next year. Ribicoff said the proposed changes would stress rehabilitation, and would include federal grants to finance work programs and job training, and increased case-work counseling services. "Public welfare must have a positive goal: to move people off relief (thus generally cutting costs in the long run) by renewing their spirit and creating economic and social opportunities for them," Ribicoff said. He said that the Administration would continue to urge passage of the President's proposal for training social workers (Weekly Report p. 1576).

Ribicoff also: called the Newburgh, N.Y. approach for cutting welfare rolls by tightening eligibility and exposing cheaters "oversimplified...unrealistic, heartless, and self-defeating"; and opposed work programs which provided only "made work" or "leaf-raking" jobs.

CONSERVATION PROGRAMS

Interior Secretary Stewart L. Udall Oct. 5 in a press conference said "one of the outstanding records in conservation of this century" could be achieved in 1962 if Congress enacted certain natural resources and conservation proposals.

Important measures pending in committee before Congress adjourned, Udall said, included the river basin planning bill (HR 6487, S 2246, S 1629), several "very important" reclamation irrigation projects and a number of park bills, including the Ozark River (HR 5712, S 1381), Lake Michigan Dunes (S 2153), Indiana Dunes (HR 6544, S 2317, S 1797), Oregon Dunes (S 992) and Padre Island, Texas (S 4). Another "real landmark", Udall said,

would be the enactment of a bill (S 174) to establish a National Wilderness Preservation System which was passed by the Senate but not the House, in 1961. (Weekly Report p. 1543)

The three main conservation accomplishments of 1961, Udall said, were the enactment of legislation expanding the Saline Water Conversion program (HR 7916), establishing the Cape Cod National Seashore (S 857) and stepping up a program for the purchase and maintenance of "wetlands" that are the natural habitat of wild birds (HR 7391). (Weekly Report p. 1573, 1388, 1660)

Udall also said he planned to present to Congress early in 1962 a program, including financing proposals, for the expansion of the national park system. He said the program should be ready when the Outdoor Recreation Resources and Review Commission presented its report to Congress late in January.

Udall Oct. 25 said his Department in 1962 would send Congress a number of bills designed to modernize the management of public lands. One, he said, concerning public lands appropriate for urban uses, already was pending before Congress, but had not been acted on (S 2219, HR 1992, HR 5277).

Capitol Briefs

- COST OF LIVING -- The Labor Department Oct. 25 announced that the Consumer Price Index rose three tenths of one percent in September to a record high of 128.3 percent of the 1947-49 average. Seasonal increases in clothing prices and continued higher costs for services were termed the major causes of the advance from the August Index of 128. The Department also said both the buying power and after-tax earnings of factory workers declined in September, chiefly because of automobile industry strikes, effects of Hurricane Carla and religious holidays. (Weekly Report p. 1715)

- CONGRESSMEN HONORED -- The Scottish Rite of Freemasonry, Southern Jurisdiction, Oct. 17 presented the honorary 33rd degree to two Senators and five Representatives for service to the nation. Those receiving the award were: Sens. Spessard L. Holland (D Fla.) and Roman L. Hruska (R Neb.) and Reps. John J. Rhodes (R Ariz.), A. Sydney Herlong Jr. (D Fla.), Walter H. Judd (R Minn.), Hugh Alexander (D N.C.) and J. Vaughan Gary (D Va.).

- ELLENDER APPOINTMENT -- Sen. Allen J. Ellender (D La.) Oct. 22 was appointed a member of the board of directors of the National Rivers and Harbors Congress, a registered lobby group which concerns itself with the promotion of flood control, navigation and other federal water projects. (Weekly Report p. 774)

- BUSINESS CYCLE BOOKLET -- The Commerce Department's Census Bureau Oct. 23 issued its first public edition of "Business Cycle Development", a 65-page paper-back designed to aid economists, businessmen and others in predicting business trends. The booklet was first produced in 1957 for limited distribution within the Executive Branch.

GOP CRITICISMS

● EISENHOWER COMMENTS -- Former President Eisenhower Oct. 25 said the Kennedy Administration was "confusing me and all of my friends" with fiscal policies which were "shrinking dollars." One day, he said, "the nation is told the federal budget is balanced and the next that it will produce a \$6.7 billion deficit; I believe this nation is in a time of prosperity, and if we can't pay our debts what's going to happen?" Gen. Eisenhower appeared at a campaign rally in New York City for the Republican candidate for Mayor, Louis J. Lefkowitz. (See p. 1778) He also called the Peace Corps a "juvenile experiment" and suggested members might be sent to the moon because it was an underdeveloped area.

Senate Democratic Leader Mike Mansfield (Mont.) Oct. 26 said Gen. Eisenhower was indulging in "campaign oratory....(and) should have been reminded that....during his Administration the nation had the highest peacetime deficit in its history, \$12.5 billion." He said that when President Kennedy entered the White House the nation was in a recession, but that now, according to Gen. Eisenhower, the nation "has attained a state of prosperity."

● MINIMUM WAGE -- Rep. Carroll D. Kearns (R Pa.) Oct. 23 said the new minimum wage law, which became effective Sept. 3, already had resulted in the loss of jobs and reduced income for workers in the retail field. "The new law is hurting the 'little fellows' most....The very ones President Kennedy promised the law would help," Kearns said. According to the National Retail Merchants Assn., Kearns said, under the new law it was "definitely the marginal workers who are being fired, especially in the South and Southwest. And it is the small independent merchants, not the chains, that are being squeezed the worst." (Weekly Report p. 1595)

● SPENDING -- Rep. Leslie C. Arends (R Ill.) Oct. 23 said that President Kennedy was "spending money to be politically popular at home and diplomatically popular abroad." He said the nation's defense, which was "second to none," was due to a "Republican legacy" and that the Kennedy Administration had developed no new basic defense concept or strategy," but was "merely accelerating and supplementing the defense program developed by President Eisenhower."

MOONLIGHTING

Secretary of Labor Arthur J. Goldberg Oct. 18 said a departmental survey of moonlighters -- persons holding more than one job -- gave "little support to the notion that the unemployment problem could be solved by prohibiting extra jobholding."

He said the Dec. 1960 survey showed 3 million workers or 4.6 percent of all persons employed held more than one job, roughly the same number and proportion as in the previous two years. Goldberg said the hours worked on second jobs are "usually very short" and that "a great many" of these jobs, particularly in farming and in the professions, were "unsuited to the unemployed".

CORRECTION

Page 1721, Column 1 -- Under "Laws Enacted, 1947-1961", for the first session of the 86th Congress (1959) in the chart, the number of vetoes overridden should read: 1 (not 3).

PRESSURE POINTS

● CARDINAL CUSHING ON SCHOOL AID -- Richard Cardinal Cushing, in his "News Notes" column in the Oct. 21 issue of the "Pilot," Boston archdiocesan newspaper, said Catholics "should try to prove their right" to federal aid for their schools as well as for public schools, but should "neither force such legislation through at the expense of national disunity or use their political influence in Congress to block other legislation of benefit to education because they do not get their own way."

The Cardinal's statement was released Oct. 20 by the National Catholic Welfare Conference, which had lobbied for inclusion of private school aid in the Administration's 1961 school bill. (Weekly Report p. 1711) The religious controversy, which contributed to the bill's defeat, was touched off by President Kennedy's statement that private school grants would be unconstitutional and a reply by Francis Cardinal Spellman that the bill should include equal aid for public and private schools or it should be defeated.

● BIRTH CONTROL -- The Episcopal Church Sept. 28 recommended federal aid for family planning in foreign countries because expanding populations in certain areas had made "population control....a necessity." It said the Federal Government should provide "assistance to this end wherever it is officially sought."

● CIVIL DEFENSE -- The President of the National Assn. of State Civil Defense Directors, Hubert Schon, Oct. 5 said that both the Federal Government and state governments should offer tax incentives for the construction of fallout shelters. He also said shelters should be "mandatory in all new federal and state buildings, and in industries financed in whole or in part by federal money."

● CROP SURPLUSES -- The National Grange in its Oct. 1 newsletter indicated a developing split between the Grange and the Kennedy Administration over methods for controlling crop surpluses. The newsletter said that "fever mounts within Grange and non-Grange circles for sound, workable, self-help, self-financing market management type programs" with a minimum degree of Government control. Otherwise, it said, farm leaders feared that pressure would mount from farmers for "desperate, unsound, 'full reliance on Government' remedies," and that "some such proposals are coming from high places." Secretary of Agriculture Orville L. Freeman Sept. 20 said it might become necessary to switch the basis of agricultural controls from acres to units of production. (Weekly Report p. 1749, 1610)

● FEDERAL URANIUM PURCHASES -- The American Mining Congress Sept. 13 recommended that the Joint Congressional Atomic Energy Committee and the Atomic Energy Commission undertake a long-range study of the Federal Government's policy for purchasing uranium, including whether domestic uranium reserves were sufficient to meet requirements.

● JOHN BIRCH SOCIETY -- The Americans for Democratic Action Oct. 8 said that Republican leaders should "repudiate all Republican ties with....right wing totalitarian" groups like the John Birch Society. It said that although the Democratic party was not "wholly free" of the danger, the "main thrust of Birchism points directly to the heart of the Republican party."

OFF-YEAR ELECTIONS WATCHED FOR POSSIBLE PARTY TRENDS

Despite the dominance of local issues in most of the elections held during 1961, observers are watching the outcome for clues which may indicate regional or national trends in favor of either the Democratic or Republican party. This Congressional Quarterly Fact Sheet summarizes the 1961 election contests for Governor, important statewide offices, state legislatures, vacant Congressional seats and for control of city governments in municipalities with more than 100,000 population.

The 1961 elections will be watched for a rough comparison with the Democratic trends apparent in the off-year elections of 1953 and 1957, the first years following the Republican Presidential victories of 1952 and 1956. In 1953 Republicans suffered general reverses by losing the New Jersey Governorship, previously GOP Congressional seats in Wisconsin (9th District) and New Jersey (6th District), and previously Republican mayors' offices in Buffalo, N.Y., Columbus, Ohio, Davenport, Iowa and New Haven, Conn. In 1957 Democrats won a traditionally Republican Senate seat in Wisconsin, re-elected Gov. Robert B. Meyner (D N.J.) and New York City Mayor Robert F. Wagner (D) by record majorities, and lost no major mayoralties. Over-all Republican gains in 1961 would indicate repetition of the pattern by which the party not in control of the White House makes gains in off-year and mid-term election years. Democratic gains, on the other hand, would darken Republican hopes of making major gains in the 1962 Congressional and gubernatorial elections.

Several municipal elections of 1961 may influence the chances of would-be candidates for Governor or Congress in 1962. In Pennsylvania, 1961 vote returns may determine the pattern of Congressional redistricting for the state.

SUMMARY OF RACES

(For details, see state-by-state breakdown below)

Governor -- Governors will be elected Nov. 7 in New Jersey and Virginia. The New Jersey race provides the only major test between the parties.

Other Statewide Offices -- Earlier in the year Michigan and Wisconsin held statewide elections. Democrats ran strongly in the April 3 Michigan elections for miscellaneous statewide offices, but Republicans made a strong comeback in the Sept. 12 election of delegates to a constitutional convention. Liberals were elected in Wisconsin's April 4 nonpartisan election for state superintendent of education and other offices.

On Nov. 7 Pennsylvania will elect a Supreme Court Justice in an important test of relative party strengths. In addition to Governor, Virginia will elect a lieutenant governor and attorney general.

State Legislatures -- Several special elections to fill Legislature vacancies have been held during the year in South Carolina, California, Massachusetts and other states. Most gains have been scored by Republicans.

On Nov. 7 Kentucky will elect a new House and one half its Senate, New Jersey will elect the entire Assembly and one-half the Senate, and Virginia will elect a new House of Delegates. Democrats are firmly in control of the Kentucky and Virginia legislatures, though the elections will be watched for possible increases of Republican strength. A spirited contest is underway for control of both the Assembly and the Senate in New Jersey.

Congressional Vacancies -- Elections have already been held during 1961 to fill one Senate and two House seats where incumbents resigned or died: the Texas Senate seat vacated by Vice President Johnson, won by John G. Tower (R) in a major upset May 27; the Pennsylvania 16th District House seat, retained by the Republicans with an increased margin in a May 16 special election; and the Tennessee 1st District House seat, retained by the GOP in a May 16 special election.

A close and hotly-contested fight for the currently Democratic Texas 20th District House seat will be decided Nov. 4.

Democrats are assured of victory in a Nov. 7 special election in the solidly Democratic Michigan 1st District.

Republicans may have a chance in a Dec. 19 special election in the traditionally Democratic Louisiana 4th District.

No date has yet been set for a special election to fill the currently Democratic Texas 13th District seat, being vacated by resignation.

Municipalities -- The most publicized municipal election is in New York, where voters Nov. 7 will decide whether to elect Mayor Wagner to a third term. Republicans face an uphill fight in the city.

Earlier in the year, Democrats replaced Republicans in officially nonpartisan mayoralty fights in Los Angeles and Minneapolis. Democrats retained control of the St. Louis mayoralty by a reduced margin. Republicans made gains in several technically nonpartisan elections in Southern cities.

Principal mayoralty fights set for Nov. 7 will be in Connecticut, Kentucky, Massachusetts, Michigan, New York, Ohio and Pennsylvania. In most of these elections Republicans are assuming the role of challengers to entrenched Democratic regimes.

Kennedy Administration Role

A clear 1961 trend either toward the Republican or Democratic party could have an appreciable effect on the fate of the Kennedy legislative program in Congress in 1962. A Republican trend, indicating a possible conservative groundswell in the country, would weaken the hand of the Administration in Congress, while a Democratic trend would tend to strengthen the entire Democratic effort in the legislative session and looking toward the 1962 Congressional elections.

Despite the importance of the 1961 races to his program, President Kennedy took no positive step to

aid Democratic candidacies -- beyond letters of endorsement to Democratic contenders in New Jersey and Texas -- until Oct. 27. Critics had already begun to say that since the President was finding time for speechmaking trips around the country on other projects, the real reason for his not participating was fear of damaging his political prestige by appearing in behalf of Democrats who might lose their contests. But Mr. Kennedy's Oct. 27 announcement that he would speak Nov. 2 in Trenton for Democratic candidate Richard J. Hughes indicated a reassessment of the importance of the 1961 races, or reports that Hughes might have a better chance of election than earlier reported, or both.

STATE-BY-STATE REPORTS

Alabama

Birmingham -- Nonpartisan municipal election held Oct. 9.

Mobile -- Nonpartisan municipal election held Sept. 11. George E. McNally, a former U.S. Attorney and a known Republican, was elected as one of the three city commissioners.

Arizona

Phoenix -- Nonpartisan municipal election set for Dec. 12. The bipartisan Charter Government Committee, which has controlled the city since 1949, is being challenged by a group known as "Stay America" which charges "one-worldism" and socialistic tendencies in the incumbent administration. Sen. Barry Goldwater (R), who won his first public office on the Charter Government Committee slate in 1949, has not taken a position in the election.

Tucson -- Partisan municipal election Nov. 7. Democrats have controlled the city since the mid-1950's. Of the six council seats, the Republicans hold the three not up for election in 1961. Thus they must win only one of the three council seats up in 1961, or the mayoralty, to take control of the city government.

California

STATE SENATE -- Republicans took control of the Ventura County State Senate seat held by the late James J. McBride (D) for 29 years by capitalizing on a split within Democratic ranks in an Oct. 10 special election. The official vote was 13,833 for Ojai Mayor Robert J. Lagomarsino (R), 11,464 for District Attorney Bruce A. Thompson (D) and 11,383 for Assemblyman Rex M. Cunningham (D). The new State Senate line-up: 29 Democrats, 11 Republicans.

MUNICIPALITIES -- Fresno -- Nonpartisan municipal election held April 11.

Los Angeles -- Nonpartisan municipal election held April 4 with runoff May 31. In the runoff incumbent Mayor Norris Poulson, a former Republican Congressman (1943-45, 1947-53), was defeated by Ex-Rep. Samuel W. Yorty (D Calif. 1951-55). Not only the city's newspapers and Republican organizations, but also most elements of the Democratic party had lined up behind Poulson and against Yorty. Yorty won Democrats' disfavor through his 1960 endorsement of Nixon for President. But the increasingly Democratic complexion of downtown Los Angeles with its large Negro and Mexican-

American population segments was thought a major factor in Yorty's election. (Weekly Report p. 932)

Oakland and Pasadena -- Nonpartisan municipal elections were held last spring.

Sacramento -- Nonpartisan municipal election set for Nov. 7.

San Francisco -- Nonpartisan municipal election (not including mayoralty) set for Nov. 7.

Connecticut

MUNICIPALITIES -- In partisan local elections held during the spring and early fall Republicans made a net gain of 18 town governments. Democratic strength on the town and city level hit a peak in 1958 and has been declining since.

Bridgeport -- Partisan municipal election set for Nov. 7. Mayor Samuel J. Tedesco (D), who ended Socialist Mayor Jasper McLevy's 22-year tenure as Mayor in the 1957 election, is seeking a third term and clearly favored. If Tedesco can win a substantial plurality (5,000 votes or over) he will be a leading candidate for the Democratic nomination for lieutenant governor in 1962. Democratic leaders in the state are reportedly anxious to place a proven vote-getter of Italian heritage on their '62 statewide ticket.

Hartford -- A nonpartisan municipal election will be held Nov. 7.

New Haven -- A partisan municipal election set for Nov. 7 will test the voter appeal of Mayor Richard C. Lee (D), seeking his sixth term. Lee is considered a leading candidate for the Democratic nomination to oppose U.S. Sen. Prescott Bush (R Conn.) in 1962. In past elections Lee has won by margins of up to 23,000, but his plurality dropped sharply in 1959. He has been under heavy GOP attack for alleged slowness of rebuilding in areas cleared for urban renewal under his leadership. Observers friendly to Lee point out that the temporary drop in voting strength caused by clearing of areas for urban renewal makes it quite likely that his majorities of former years cannot be maintained.

Waterbury -- A partisan municipal election set for Nov. 7 finds Mayor Edward Bergin (D), seeking a third term, facing a strong challenge from Frederick Palomba (R). A split in the local Democratic party may aid Palomba's bid in this normally Democratic city.

Stamford (pop. 92,713) -- Mayor J. Walter Kennedy (D) may find the regular Democratic vote splintered by the candidacy of former Mayor Thomas F.J. Quigley (D), who is running as an independent. The Republican candidate, State Rep. Martin F. Armstrong Jr., may benefit from the Democratic split.

Florida

Miami -- Nonpartisan municipal election set for Nov. 28.

St. Petersburg -- Nonpartisan municipal election was held May 16. Herman W. Goldner, 1960 Republican campaign manager for Pinellas County, was elected mayor over a local Democratic leader.

Georgia

Atlanta -- In a nonpartisan runoff election Sept. 22 Ivan Allen Jr., a liberal business executive, received 63,522 votes against 35,922 for Lester Maddox, an

outspoken segregationist, in the race to replace retiring Mayor William B. Hartsfield. A development of possible partisan significance: two known Republicans, Rodney M. Cook and Richard C. Freeman, were elected to the 16-man Board of Aldermen. A general election set for Dec. 6 is required to confirm the September election results, but it is considered a formality only.

Illinois

Peoria -- Robert G. Day (R) defeated former Mayor Joseph O. Malone (D) in the city's first partisan election in 10 years, held April 4.

Rockford -- Mayor Benjamin T. Schleicher was re-elected in a nonpartisan election April 4.

Iowa

Des Moines -- A nonpartisan municipal election is set for Nov. 7.

Kansas

Topeka and Wichita -- Nonpartisan municipal elections were held April 4.

Kentucky

GENERAL ASSEMBLY -- Nineteen of the 38 State Senators (currently 30 Democrats, 8 Republicans) are up for election Nov. 7. Few changes are expected.

The entire 100-member House (currently 80 Democrats, 20 Republicans) is up for election. Republicans are making an especially strong race in Jefferson County (which includes Louisville - see below). If they were to do especially well, they might pick up as many as 9 of the county's 11 House seats, all of which are currently held by Democrats.

MUNICIPALITIES -- Louisville -- A partisan municipal election is set for Nov. 7, concurrent with the General Assembly election. Republicans, who have not elected a Louisville Mayor since 1931, are waging a spirited campaign for their nominee, William Cowger, a young businessman. The Democratic organization candidate, William S. Milburn, is an older man who is running a less aggressive campaign. Milburn has aroused the ire of Negro groups because he moved, as a member of the board of aldermen, to shelve a proposed ordinance which would forbid segregation in Louisville business establishments. The Negro vote in Louisville is appreciable and could go strongly against Milburn if Negro leaders decide to oppose his candidacy actively.

Both Sen. Thruston B. Morton (R Ky.) and Lt. Gov. Wilson Wyatt (D), Morton's most likely 1962 election opponent, are Louisville residents. The 1961 Louisville vote will be watched to see how large a margin the Democratic organization might be able to produce for Wyatt in a race against Morton. If Milburn runs a poor race, the Democratic faction headed by ex-Gov. A.B. (Happy) Chandler may be encouraged to support ex-Lt. Gov. Harry Lee Waterfield or another candidate against Wyatt in the Democratic Senate primary.

Milburn is currently a slight favorite over Cowger because of Louisville's traditionally Democratic majority. Republicans are thought to have a better chance of electing a county judge in Jefferson County because of the voting power of Republican areas outside the city proper.

Louisiana

CONGRESSIONAL VACANCY -- Republicans believe they have their best chance since Reconstruction Days to win the 4th Louisiana Congressional District vacated by the Sept. 16 death of Rep. Overton Brooks (D). The Dec. 19 special election will pit Charlton H. Lyons Sr. (R), 69, a wealthy oilman and strong conservative, against the winner of the Oct. 28 Democratic primary (with Nov. 25 run-off if necessary). Current favorite for the Democratic nomination is Joseph D. Waggoner, an outspoken segregationist. The 4th District, known as the most conservative in Louisiana, went Republican in the 1952, 1956 and 1960 Presidential campaigns. Brooks' vote, however, never dropped below 68.1 percent, and local observers doubt whether Lyons can defeat a strongly conservative Democratic candidate. (Weekly Report p. 1770)

Massachusetts

STATE LEGISLATURE VACANCIES -- A special State Senate election in the Berkshire (Northwestern) district, held Oct. 10 to replace Robert P. Cramer (D) whom President Kennedy had appointed to a federal post in the Virgin Islands, resulted in the election by a vote of 12,364 to 8,875, of State Rep. Edmund R. St. John Jr. (R) over State Rep. Thomas C. Wojtkowski (D). Cramer had won with a 10,021-vote majority in 1960. The seat had been held by U.S. Rep. Silvio O. Conte (R) before his election to Congress in 1958. The Berkshire Eagle, Pittsfield daily newspaper, attributed the GOP victory in the special election "almost entirely to the vigor and skill of the Republican organization in bringing its forces to the polls." The Republican State Committee took special interest in the campaign as a first step toward regaining control of the State Senate, currently balanced 25-15 in favor of the Democrats. The additional Senate seat will make it easier for the GOP to uphold a veto by Gov. John A. Volpe (R) of any Congressional redistricting bill he may oppose.

Special elections for two state House seats, one currently Republican and the other currently Democratic, will be held Nov. 7.

MUNICIPALITIES -- Nonpartisan municipal elections are scheduled for Nov. 7 in Cambridge, New Bedford, Springfield and Worcester.

Michigan

STATEWIDE CONTESTS -- In an April 3 election for various statewide posts, Democrats were generally successful. State Highway Commissioner John C. Mackie (D) won by a large plurality and Democrats won six of eight policy-making educational posts. Republican-backed candidates won the two nonpartisan Supreme Court Justice elections. (Weekly Report p. 611)

CONSTITUTIONAL CONVENTION -- In a Sept. 12 election of delegates to a convention charged with rewriting the state's constitution, Republicans made a strong comeback by winning 99 of the 144 delegate posts. Democrats captured only 45 seats. Republicans won many normally Democratic districts, including some in heavily Democratic Wayne County (Detroit). (Weekly Report p. 1592)

CONGRESSIONAL VACANCY -- An Oct. 17 primary in the Michigan 1st District (Detroit), where Rep. Thaddeus M. Machrowicz (D) resigned to become a Federal Judge,

resulted in the selection of attorney Lucien N. Nedzi (D) as the Democratic nominee. Democratic nomination is tantamount to election in the district. The special election will be held Nov. 7. (Weekly Report p. 1770)

MUNICIPALITIES -- Detroit -- Detroit voters Nov. 7 will decide between incumbent Mayor Louis C. Miriani and challenger Jerome P. Cavanaugh, a 33-year old attorney, in a nonpartisan mayoralty contest. Both candidates are liberals in the Michigan Democratic tradition. Miriani is a clear favorite for re-election.

Lansing -- A nonpartisan municipal election was held April 3.

Minnesota

Duluth -- A nonpartisan municipal election was held April 4.

Minneapolis -- In a race with strong partisan overtones, Arthur Naftalin (D), an associate of Sen. Hubert H. Humphrey (D Minn.) in the state's Democratic-Farmer-Labor party, defeated Mayor P. Kenneth Peterson (R), Humphrey's 1960 Senate opponent, in the technically nonpartisan June 13 mayoralty election. (Weekly Report p. 1003)

Mississippi

Jackson -- A municipal election was held during the spring.

Missouri

St. Louis -- Democrats maintained their firm grip on the St. Louis mayoralty with a 62.9 percent victory for incumbent Mayor Raymond R. Tucker (D) in the April 4 partisan municipal election. (Weekly Report p. 611) But Republicans, who went all-out to increase their vote from recent elections in the city, pointed out they had reduced Tucker's winning percentage considerably from its 76.8 percent level in 1957. Republicans also said that if they could have held Mr. Kennedy's 1960 vote in St. Louis to the same 62.9 percent which Tucker received in 1961, Nixon would have carried the state. The GOP effort in St. Louis was part of the Republican attempt to build up the party's effectiveness in the big cities. An effort to man all precincts with reliable GOP workers was a central part of the effort. (Weekly Report p. 1441)

Nebraska

Lincoln and Omaha held nonpartisan municipal elections in May.

New Jersey

GOVERNOR -- The most significant partisan contest of 1961 is being held in New Jersey where James P. Mitchell (R), former Secretary of Labor in President Eisenhower's Cabinet, is seeking the Governorship against Democratic candidate Richard J. Hughes, a former Superior Court judge. Mitchell, who downed formidable opposition from two state senators to win the nomination in April 18 primary, has been considered the favorite from the outset because of the prominence he won in the Eisenhower Administration. Polls conducted under Democratic auspices showed Mitchell leading by a

60-40 percent margin early in the summer but by a margin slimmed to 53-47 in late September. Despite Hughes' apparent gains, observers still expect Mitchell to win by a substantial plurality. (For full background on significance and development of the New Jersey race, see Weekly Report p. 1735)

STATE LEGISLATURE One-half the Senate (currently balanced 11-10 in favor of the Republicans) and the entire Assembly (currently 34 Democrats, 26 Republicans) are up for election Nov. 7. Democrats are making a strong bid to topple Republican rule in the Senate, charging that the GOP caucus system has hindered progressive legislation. One of the key battles will be the Hunterdon County Senate seat, currently held by the Republicans. Republicans, on the other hand, have high hopes of winning control of the Assembly. Mitchell "coattails" could possibly swing the day for the GOP in Assembly races.

MUNICIPALITY -- Jersey City -- In a technically nonpartisan municipal election held in May, Thomas Gangemi (D), running with the support of Hudson County Democratic boss John V. Kenny, was elected Mayor.

New York

New York City -- Mayor Robert F. Wagner (D), seeking a third term, is strongly favored to defeat Attorney General Louis J. Lefkowitz (R) in the Nov. 7 partisan municipal election. Wagner appeared to overcome the chief obstacle to his re-election by defeating Tammany candidate Arthur Levitt by a decisive margin in the Sept. 7 Democratic primary. (Weekly Report p. 1591)

The chief development of the post-primary campaign was the Sept. 27 fund raising luncheon for Wagner, at which he was present, during which 43 builders and real estate men, many of whom did business with the city, were openly polled and pledged \$25,000 to the Wagner campaign. Lefkowitz Sept. 30 said the fund-raising luncheon was "the ultimate expression of immorality" in the Wagner regime and called the action "a corrupt political shakedown reminiscent of the worst days of Boss Tweed." Wagner Oct. 4 announced he was rejecting the \$25,000 pledged at the luncheon and would not accept any campaign gifts "from persons doing business with the city." Wagner Oct. 9 released a list of 35 firms doing business with the state that had bought expensive ads in a Republican fund-raising journal, charging "widespread kickback and shakedown schemes." The Republicans Oct. 12, however, released a list showing that many of the same firms had placed similar ads in Democratic State Committee yearbooks.

Lefkowitz has criticized Wagner for the "crime and delinquency" that is "terrorizing New York City" and charged Wagner with "dismal failure" in combatting slums.

Wagner Oct. 7 said Lefkowitz was "a handpicked candidate of the Republican county leaders" and in an Oct. 10 television debate with Lefkowitz asked the GOP candidate to list the "big bankers....who have been responsible for financing and therefore owning the Republican party over these many years." Wagner Oct. 25 said Lefkowitz was a conservative and a candidate of political reaction.

Wagner and his running mates, Abraham D. Beame for Controller and Paul R. Screvane for City Council

President, will appear on the ballot as candidates of the Democratic, Liberal and Brotherhood parties. Lefkowitz and his running mates, John J. Gilhooley for Controller and U.S. Rep. Paul A. Fino (25th District) for City Council President, will appear on the Republican, Civic Action and Non-Partisan party lines. Lawrence E. Georsa is the Citizen's party candidate for Mayor and Vito P. Battista is running under the banner of the United Taxpayers party. Richard Garza is the Socialist Workers party candidate while Eric Hass runs as Socialist party candidate.

The strongly Democratic complexion of the city appears to doom Lefkowitz's hope of actually winning the election. Private Republican polls made in mid-October indicated that Lefkowitz was gaining but Wagner was still well ahead. The GOP reportedly will be happy if Lefkowitz can garner 40 percent of the vote.

Albany -- Mayor Erastus Corning II (D), candidate of Albany Democratic boss Daniel P. O'Connell's well-entrenched organization, is expected to win a fifth term without difficulty over the Rev. Robert Hudnut, candidate of the so-called Citizens' United Reform Effort (CURE), in the technically partisan Nov. 7 election. A plurality for Corning of less than 30,000 would be embarrassing to the O'Connell organization, however.

Buffalo -- A partisan mayoralty race complicated by two independent candidacies and strong ethnic rivalries will be decided by Buffalo voters Nov. 7. The candidates: Chester Kowal (R), the long-time City Controller, who lost the mayoralty election by less than 70 votes in 1957; Victor E. Manz (D), a city councilman who upset the city Democratic organization to win the Democratic nomination; Mayor Frank A. Sedita (D), running officially as an independent but actually with the support of most of the Democratic organization despite a defeat in the primary; and Peter Carr, a lawyer, representing the People First party. Kowal, Manz and Sedita are given relatively equal chances of winning, with some observers giving a slight edge to Manz. Carr is expected to poll no more than a few thousand votes.

Rochester -- Republicans, who controlled the city government since 1937, are in danger of losing their grip in the Nov. 7 partisan elections for the city council (which, in turn, selects one of its own members as mayor). Democrats, heartened by President Kennedy's strong race in Rochester last fall and steady Democratic inroads in recent years, are hopeful of victory. But Republicans are making a strong fight to maintain control under a rejuvenated Republican county organization. The GOP must win three of the five council seats up this year (it now holds four of them) to continue its control of city hall.

Syracuse -- Split Democratic opposition is expected to benefit County Welfare Commissioner William Walsh (R), the GOP candidate in the Nov. 7 partisan mayoralty race. Walsh's opponents, who are expected to split the Democratic vote, are: Henry Norman, the regular Democratic candidate; Dr. Joseph Grosso, the Dynamic party candidate who outpolled the regular Democratic candidate in 1957; and Paul C. deBernardis, running as candidate of the Independent party. Incumbent Mayor Anthony Henninger (R) is ineligible to succeed himself.

Utica -- A close election is expected in the Nov. 7 partisan election. Mayor Frank M. Dulan (R), who was elected in November 1959 following a wave of reaction against scandals in the then-incumbent Democratic administration, is being challenged this year by Gerald F.

Donovan (D). Utica Republicans have suffered from some factionalism, thus brightening Democratic hopes.

Yonkers -- Incumbent Mayor Kristen Kristensen (R) is not seeking re-election, and Democrats, who have controlled the city council and city manager slot for many years, have hopes of winning the mayoralty in the November partisan municipal election. The GOP mayoralty candidate is John E. Flynn, 49, a fuel oil retailer. He is opposed by Aloysius Moczdowski (D), 39, a tobacco salesman and City councilman. Republicans are making a serious effort to win control of the city council in the election.

North Carolina

Charlotte, Greensboro and Winston-Salem held non-partisan municipal elections May 2.

Ohio

Akron -- Paritisan municipal election set for Nov. 7. Incumbent Mayor Leo Berg (D) is not running for re-election. The candidates are Edward O. Erickson (D) and Ed L. Garrigan (R). Republicans are waging a vigorous campaign although Akron usually votes Democratic.

Canton -- Incumbent Mayor Charles L. Babcock (D) is seeking re-election in the Nov. 7 partisan election. Challengers are James H. Lawhun (R) and Charles J. Guirrieri (Independent). Babcock is favored, despite a serious Republican effort.

Cincinnati -- A nonpartisan municipal election is set for Nov. 7.

Cleveland -- Incumbent Mayor Anthony Celebrezze (D) is expected to win re-election without difficulty against Albina R. Cermak (R) in the Nov. 7 partisan election.

Dayton -- A nonpartisan municipal election is set for Nov. 7.

Toledo -- A nonpartisan municipal election is set for Nov. 7.

Youngstown -- Incumbent Mayor Frank R. Franko (D) is favored to win re-election over Harry N. Savasten (R) in the Nov. 7 partisan municipal election.

Pennsylvania

STATEWIDE OFFICE -- A special election for justice of the Pennsylvania Supreme Court is expected to provide a major test of the strength of the parties and indicate whether Rep. William J. Green Jr. (D), the Philadelphia Democratic boss, can continue to produce a sufficiently high Philadelphia Democratic majority to offset any Republican majority from the rest of the state. The 331,554 vote majority the Green machine produced for Mr. Kennedy in Philadelphia in the 1960 Presidential election guaranteed the Democrats Pennsylvania's 32 electoral votes.

Candidates for Justice are Miss Anne X. Alpern (D), the forceful former attorney general of the state who is now filling the Justice post on an interim appointment, and Henry X. O'Brien (R), a popular mild-mannered judge from Allegheny County.

Both parties are making all-out efforts in behalf of their candidates. Green has predicted and promised a Democratic majority of 100,000 in Philadelphia based on his now famous survey and polling techniques (see

1960 Weekly Report p. 1996 for full background on the Green machine). But the Green operation has been under heavy attack from the Philadelphia newspapers and for the first time finds itself somewhat on the defensive. Reports of scandals within the Philadelphia Democratic administration, coupled with strong out-of-city resentment about Green's proposal of Congressional redistricting which would retain all current six Philadelphia seats despite a population loss, may arouse an "anti-Green" vote both inside and outside Philadelphia. Another harmful factor to Miss Alpern's campaign may be sentiment against a woman seeking high office, especially the bench, which has been reported from some of Pennsylvania's coal producing areas with a heavy East European ethnic vote that usually goes Democratic.

The Republican campaign, on the other hand, may have been harmed by the death Oct. 5 of former Sheriff Austin Meehan, the long-time Republican boss of Philadelphia who had been one of O'Brien's prime supporters and reportedly had been counted on to furnish a substantial portion of O'Brien's campaign funds.

Pennsylvania observers believe that whichever party wins the Justice election may enjoy a strong psychological advantage in subsequent negotiations on Congressional redistricting. The General Assembly has stalled on redistricting legislation to reduce the state from 30 to 27 seats and an at-large election in 1962 will be forced unless agreement is reached before February. The party which loses the Justice election may have qualms about entering a risky at-large Congressional election.

The Justice election result may also give a strong indication of party strengths looking toward Pennsylvania's U.S. Senate and Governor elections in 1962.

MUNICIPALITIES -- Philadelphia -- In addition to the statewide justice election, Philadelphia voters will also elect a new District Attorney and City Controller. Incumbent D.A. James C. Crumlish (D), who has been embroiled in touchy questions of whether he should follow up instances of scandal in the city government alleged by the newspapers, is being challenged by Theodore B. Smith (R). Incumbent Controller Alexander Hemphill (D) faces opposition from Joseph C. Bruno (R). The Republican candidates have launched an intensive street-corner campaign reminiscent of the way in which Democrat Richardson Dilworth (now Mayor) first rose to prominence as a crusader against the decadent GOP city administration in the late 1940's. The Republican candidates are charging that Crumlish and Hemphill are mere errand boys for the Green machine. Republicans charge Green is going all-out to win this year's election because he fears the results if Republicans should control the district attorney's office and investigate further charges of corruption in the city government.

Philadelphia observers believe Smith and Bruno have little chance of winning. A small Democratic victory, however, would indicate that the Green machine might eventually be toppled. A big Democratic victory would dishearten Republican hopes for 1962 and other upcoming elections. The key factor to watch is whether Green can match or exceed the 100,000 Democratic majority he predicts.

Erie -- Mayor Art Gardner (D), who won the Democratic primary by a margin of only 165 votes, has succeeded in healing intraparty wounds and is expected to win easily over Charles Williamson (R), the assistant superintendent of schools, in the Nov. 7 partisan municipal election.

Pittsburgh -- Mayor Joseph M. Barr (D) is expected to score an overwhelming victory over William J. Crehan (R) and Raymond A. Ries (American party) in the Nov. 7 partisan municipal election.

Scranton -- Aging Mayor James Hanlon (D), seeking a fifth four-year term in the Nov. 7 partisan municipal election, faces a strong challenge from William Schmidt (R), an aggressive 37-year old campaigner. Hanlon is favored, however. Republicans say that ballot box security is one of their chief problems in normally Democratic Scranton.

CONGRESSIONAL VACANCY-- Former Rep. John C. Kunkel (R 1939-51) May 16 won a special election in the 16th Pennsylvania Congressional District to succeed Rep. Walter M. Mumma (R), who died Feb. 25. Kunkel won 64.6 percent of the vote compared to 62.5 percent for Mumma in 1960. (Weekly Report p. 856)

South Carolina

STATE LEGISLATURE -- For the first time since Reconstruction days a Republican was elected to the South Carolina General Assembly in a special election Aug. 8 in Richmond County. Charles E. Boineau, running as a strong conservative, won by a 7,333 to 5,940 vote margin.

Tennessee

CONGRESSIONAL VACANCY -- Mrs. Louise Goff Reece (R) May 16 won a special election to fill the seat which her late husband, Rep. B. Carroll Reece (R) had held for many years prior to his death March 19. The vote was 29,666 (59.1 percent) for Mrs. Reece, 18,669 (37.2 percent) for W.W. Faw (D) and 1,841 (3.7 percent) for Leland Davis (Independent). Reece had been re-elected without opposition in 1960. (Weekly Report p. 858)

Texas

SENATE VACANCY-- John G. Tower (R) May 27 became the first Republican to be elected U.S. Senator from Texas since Reconstruction. Tower narrowly defeated interim Sen. William A. Blakley (D) in a special runoff election. Tower and Blakley had led a 73-candidate field in the first special election April 4 to fill Vice President Johnson's former Senate seat. (Weekly Report p. 934)

Johnson had defeated Tower for the Senate post in 1960 by a vote of 1,306,625 (58.0 percent) to 926,653 (41.1 percent). The final official 1961 vote showed 448,217 (50.6 percent) for Tower and 437,874 (49.4 percent), for Blakley. Both Tower and Blakley campaigned as conservatives.

The Tower victory appeared to be the harbinger of a basic realignment in Texas politics, with conservatives gradually deserting the Democratic party to join the Republicans. Since Tower's election several prominent conservative Democrats have announced a switch in their party allegiance to the GOP. In some areas large groups of conservative Democrats announced their move to the Republican party. Observers expect the Democratic party to continue its dominance of Texas politics for several years to come, but with an increasingly powerful Republican opposition. The GOP announced plans to seek several Texas House seats and make a serious bid for the Governorship in 1962.

HOUSE VACANCIES -- 20th District (San Antonio) -- The first Democrat-Republican test in Texas since the Tower

election will come Nov. 4 in a special Congressional election in San Antonio and surrounding Bexar County to choose a successor to Rep. Paul J. Kilday (D), who resigned Sept. 21 to accept an appointment to the Court of Military Appeals. (Weekly Report p. 1480)

Unlike the Tower-Blakley election, which pitted two conservatives against each other, the 20th District race presents a clear liberal-conservative contest. The Democratic candidate, State Sen. Henry B. Gonzalez, 45, is a member of the board of directors of Americans for Democratic Action and an outspoken liberal. The Republican challenger, attorney John W. Goode Jr., 38, is a strong conservative whose views are close to those of Tower and Sen. Barry Goldwater (R Ariz.).

Since a new state law requiring run-offs in special Congressional elections is not due to take effect until Nov. 13, the race is an open no-primary high-man-wins type election. There are three other very minor candidates.

Former President Eisenhower is scheduled to appear Oct. 30 in San Antonio in Goode's behalf. President Kennedy decided not to make a personal appearance for Gonzalez, but Oct. 26 sent him a warm letter of endorsement. Johnson has campaigned for Gonzalez and Tower for Goode.

Gonzalez, a flamboyant and free-wheeling campaigner who failed in previous tries for Governor and U.S. Senator, sums up his central campaign issue this way: "Since 46 percent of the income in Bexar County is from the Federal Government, it's a bread-and-butter issue. My opponent says he's 100 percent against the Kennedy government." How, Gonzalez asks, can Goode then protect the heavy flow of federal funds into the area?

Goode, a serious-faced young lawyer and professional politician (he has been Bexar County GOP chairman for five years), was decorated for his service with the Marine Corps in World War II.

"The real issue of the campaign," Goode says, "is not the bread-and-butter issues my opponent talks about. The real issue is survival." Goode television spots say he favors "the liberation of Cuba" and a tougher U.S. position on Berlin. Goode says that Gonzalez has exaggerated his position against social welfare programs.

San Antonio observers rate Gonzalez a clear favorite but agree that Goode has been making important gains. Though unlikely, a Republican upset is considered entirely possible. President Eisenhower carried the district in 1952 by 56.5 percent and in 1956 by 58.5 percent, but in 1960 President Kennedy -- benefiting in part by a Latin American and Negro vote mobilized by Gonzalez -- carried the district by 53.7 percent. Kilday has not been opposed in recent years, though the Republicans did hold the district for several years during the 1920's.

Gonzalez is expected to win a strong Latin American and Negro vote, the "brass collar" party-line Democratic vote and the support of some conservative Democrats who recall with approval Gonzalez' endorsement of Blakley in the May 27 Senate run-off. In the first Senate election April 4, when Gonzalez himself had been one of the candidates, he ran ahead of all other candidates in Bexar County, demonstrating his high popularity in the area. In the runoff Tower defeated Blakley in the district by a 27,161-22,821 vote.

Goode will benefit from the vigorous, well-organized efforts of the Republican precinct organization, still in high gear from the two Tower elections. Goode supporters

believe the Negro and Latin American vote for Gonzalez will not harm Goode too much because of the city's 134,000 poll tax payers, only an estimated 9,000 are Negro and 31,000 are Latin Americans. Goode backers count on a heavy vote for their man among white-collar workers of every income level. Goode claims he detects some disaffection with Gonzalez among liberal voters because of "his insatiable desire for higher office."

13th District -- Rep. Frank Ikard (D) is expected to resign soon to accept a \$50,000-a-year post as executive vice president (and Washington lobbyist) of the American Petroleum Institute. Chances of a Republican takeover in this North Central Texas area are considered slight. In the May 27 runoff election, Blakley outpolled Tower in all 19 counties of the district. (Weekly Report p. 1480)

MUNICIPALITIES -- Nonpartisan municipal elections were held during the spring in Amarillo, Austin, El Paso, Fort Worth and San Antonio. A nonpartisan municipal election is set for Nov. 7 in Houston.

Utah

Salt Lake City -- A Nov. 7 nonpartisan election for city commissioners may have a bearing on whether Mayor J. Bracken Lee decides to enter the U.S. Senate race in 1962 as an independent candidate. Lee, a former Republican Governor and ultra-right wing conservative, broke with the GOP in 1958 to oppose (and cause the defeat of) incumbent Arthur V. Watkins (R) in that year's Senate race. A similar Lee candidacy in 1962 might open the way for a Democratic candidate to defeat Sen. Wallace F. Bennett (R). Lee is actively supporting some and opposing other city commissioner candidates. The outcome will be watched for an indication of how much political strength he still has.

Virginia

GOVERNOR-- The Democratic ticket is expected to chalk up an easy victory in the Nov. 7 election for Governor, lieutenant governor and attorney general. The chief test came in the July 11 primary in which Albertis S. Harrison, a former attorney general running with the support of Sen. Harry Flood Byrd's Democratic machine, defeated Lt. Gov. A.E.S. Stephens, an anti-organization candidate, by a decisive margin. (Weekly Report p.1246)

The clear primary victory of the conservative Byrd machine deprived the Republicans of any opportunity to present a conservative alternative to the state's voters. Thus, despite Republican gubernatorial candidate Clyde Pearson's vigorous campaigning through every part of the state, the strength of the Byrd machine is expected to elect Harrison with little difficulty. Republicans are fearful that they may not be able to match the 188,628 vote total (36.5 percent) which Republican candidate Ted Dalton achieved in the 1957 race.

LEGISLATURE-- A new House of Delegates will also be elected Nov. 7. Current line-up: 96 Democrats, 4 Republicans.

Wisconsin

Madison -- A nonpartisan municipal election was held last spring.

Presidential Report

NORTH CAROLINA SPEECH

Following is a partial transcript of an Oct. 12 speech by the President at the University of North Carolina:

...This university produces trained men and women, and what this country needs are those who look, as the motto of your state says, at things as they are and not at things as they seem to be.

For this meeting is held at an extraordinary time. Angola and Algeria, Brazil and Bizerte, Syria and South Vietnam, Korea and Kuwait, the Dominican Republic, Berlin, the United Nations itself -- all problems which twenty years ago we could not even dream of.

Our task in this country is to do our best, to serve our nation's interest as we see it, and not to be swayed from our course by the faint-hearted or the unknowing, or the threats of those who would make themselves our foes.

This is not a simple task in a democracy. We cannot open all our books in advance to an adversary who operates in the night -- the decisions we make, the weapons we possess, the bargains we will accept -- nor can we see reflected overnight the success or failure of the actions that we may take.

In time past a simple slogan described our policy.

"Fifty-four-forty or fight," "to make the world safe for democracy," "no entangling alliances." But the times, issues and the weapons all have changed, and complicate and endanger our lives.

It is a dangerous illusion to believe that the policies of the United States can be encompassed, stretching as they do worldwide under varying and different conditions, can be encompassed in one slogan or one adjective, hard or soft or otherwise, or to believe that we shall soon meet total victory or total defeat.

Peace and freedom do not come cheap, and we are destined, all of us here today, to live out most if not all of our lives in uncertainty and challenge and peril. Our policy must therefore blend whatever degree of firmness and flexibility, which are necessary to protect our vital interests, by peaceful means if possible, by resolute action if necessary.

There is, of course, no place in America where reason and firmness are more clearly pointed out than here in North Carolina. All Americans can profit from what happened in this state a century ago.

It was this state, firmly fixed in the traditions of the South, which sought a way of reason in a troubled and dangerous world. Yet when the war came, North Carolina provided a fourth of all of the Confederate soldiers who made the supreme sacrifice in those years. And it won the right to the slogan, "Firstest in battle, firstest in Gettysburg, and last at Appomattox." Its quest for a peaceful solution of our problems was never identified in the minds of its people, of people today, with anything but a desire for peace and a preparation to meet their responsibilities.

We move for the first time in our history through an age in which two opposing powers have the capacity to destroy each other, and while we do not intend to see the free world give up, we shall make every effort to prevent the world from being blown up.

The American eagle on our official seal emphasizes both peace and freedom, and, as I said in the State of the Union address, we in this country give equal attention to its claims. In its left hand it holds the arrows and in its right the olive branch.

This is a time of national maturity and understanding and willingness to face issues as they are, not as we would like them to be.

It is a test of our ability to be far-seeing and calm, as well as resolute, to keep an eye on both our dangers and our opportunities, and not to be diverted by momentary gains, or setbacks, or pressures. And it is the long view of the educated citizen to which the graduates of this university can best contribute.

We must distinguish the real from the illusory, the long range from the temporary, the significant from the petty. But if we

can be purposeful, if we can face up to our risks and live up to our word, if we can do our duty undeterred by fanatics or frenzy at home or abroad, then surely peace and freedom can prevail.

We shall be neither Red nor dead, but alive and free and worthy of the traditions and responsibilities of North Carolina and the United States of America.

OTHER STATEMENTS

Other recent statements by President Kennedy (for previous statements, see p. 1713):

Oct. 3 -- Remarks on the publication of the diary and autobiography of John Adams.

Oct. 3 -- Remarks at swearing-in ceremony of AID Administrator Fowler Hamilton.

Oct. 4 -- Announcement of 10 White House Regional Conferences in November to discuss domestic programs and future needs.

Oct. 4 -- Announcement of concurrence with the Tariff Commission's finding that a formal investigation to determine whether the tariff on dried figs should be reduced should not be instituted at the present time.

Oct. 4 -- Greetings to Sudan President Ibrahim Abboud on his arrival at Andrews Air Force Base.

Oct. 4 -- Toast at the State Dinner honoring President Abboud.

Oct. 4 -- White House publication of a report by a special panel of the President's Science Advisory Committee explaining Project West Ford, a space communications experiment designed to place hair-like filaments in orbit around the earth.

Oct. 5 -- Announcement of appointment of a panel of consultants to the Health, Education and Welfare Secretary to review the National Vocational Education Act and make recommendations for improving the program.

Oct. 5 -- Proclamation of the week beginning Oct. 15 as National Forest Products Weeks, 1961.

Oct. 5 -- Announcement of additions to the President's Oct. 12 schedule when he participated in University of North Carolina convocation exercises to include opening the N.C. Trade Fair at Charlotte, N.C., and witnessing a combat readiness demonstration at Fort Bragg, N.C.

Oct. 5 -- Statement commending the peaceful and voluntary desegregation achieved in four Memphis, Tenn. schools.

Oct. 5 -- Executive Order creating an emergency board to investigate a dispute between Trans World Airlines and certain of its employees.

Oct. 6 -- Message to Victor Paz Estenssoro, President of Bolivia, assuring him that the United States would not dispose of stockpiled tin in a way "which will tend to frustrate our mutual goal of a better life for the people of Bolivia."

Oct. 6 -- Letter to the Civil Defense Committee of the Governors' Conference stating that the joint goal of both federal and state governments should be "fallout protection for every American as soon as possible."

Oct. 6 -- Joint communiqué at the conclusion of talks with President Abboud.

Oct. 6 -- Letter to John J. McCloy thanking him for his work as Presidential adviser on disarmament and arms control, in response to McCloy's Oct. 6 letter reviewing his activities before enactment of legislation creating an Arms Control and Disarmament Agency Sept. 26. (Weekly Report p. 1655)

Oct. 9 -- Message to Chiang Kai-shek, President of the Republic of China, offering congratulations on the 50th anniversary of the Chinese Revolution.

Oct. 11 -- Statement on the need for a comprehensive program of attack on the problem of mental retardation. (Weekly Report p. 1767)

Oct. 11 -- Announcement of an Internal Revenue Service administrative order adjusting the depreciation schedule for textile machinery by reducing estimated depreciable lives of machinery from 25 years to 15 and in some cases 12 years. The statement said the resulting speedup of depreciation deductions "will be of significant help to the industry in enabling it to modernize, meet foreign competition, and provide jobs."

STATE AND LOCAL UNITS SPENT \$61 BILLION IN 1960

Expenditures for all levels of government in the United States -- federal, state and local -- amounted to \$151,288,000,000 in fiscal 1960 -- up \$5.5 billion from the previous year -- according to a Sept. 19 report (G-GH60-No. 2) by the U.S. Census Bureau.

Governmental revenues for the same period came to \$154,041,000,000 -- up \$20.1 billion from 1959 -- the report said. In each case, the figure for the Federal Government amounted to about two-thirds of the total.

The following table compares the fiscal 1960 revenues and expenditures (in billions of dollars) of the three levels of government.

	REVENUES		EXPENDITURES
	From Own Sources ¹	After Re-distribution ²	(After revenue Redistribution)
Federal	\$100.7	\$ 93.7	\$ 90.3
State	26.1	23.4	22.3
Local	27.2	36.9	38.7
Total	\$154.0	\$154.0	\$151.3

¹ Does not include revenues from borrowing.

² Redistributions included \$6.4 billion in payments by the Federal Government to state governments and \$.6 billion to local governments, \$9.3 billion by state governments to local governments, and \$.2 billion by local governments to state governments.

For each of the three governmental levels, taxes served as the primary source of revenue. (In fiscal 1960, Federal Government tax revenues amounted to \$77 billion and state and local government tax revenues to \$18 billion each.)

However, the primary tax for each of these levels was quite different: the Federal Government relied on income taxes; state governments relied on sales taxes; and local governments on property taxes. For instance, in fiscal 1960, the Federal Government got \$62.2 billion of the \$77 billion in taxes from personal and corporate income taxes, the rest coming mostly from sales taxes. During the same period, state governments got \$10.5 billion of the \$18 billion from sales taxes, the rest being derived primarily from income taxes and fees for motor vehicle and operators licenses. The local governments during the year got \$15.8 billion from property taxes of an \$18 billion tax total. The rest for the local governments came mainly from sales taxes.

This fact sheet discusses the combined financial operations of state and local governments for fiscal 1960. A fact sheet on p. 1785 discusses the finances of the state governments only for the same period and another on p. 1789 covers the finances of the nation's largest cities for that year.

State, Local Finances

During the fiscal year, the financing of state and local governmental operations cost about \$61 billion, but the same governmental units took in only about \$60.3

billion, according to the Census report. The figures were for all governmental units of the 50 states and the District of Columbia during fiscal 1960.

At the end of the fiscal year the total outstanding debt for all state and local governmental units amounted to nearly \$70 billion, or an average of \$1.4 billion per state. (The federal public debt at the end of the 1960 fiscal year was \$286.3 billion, or more than four-fifths of the combined debt of \$356.3 billion of all three levels of government -- federal, state and local.)

Chart

In the chart on the next page, Congressional Quarterly has listed the total revenue and total direct expenditures during fiscal 1960 for each of the states and the District of Columbia, in addition to several other selected items related to the fiscal operations of the states and their subordinate governmental units.

The nine columns on the chart cover total revenues and expenditures; per capita figures for general revenues and general expenditures (per capita figures for total revenues and total expenditures were not given); total personal income and per capita figures, together with each state's rank for per capita personal income; the debt outstanding at the end of the fiscal year; and each state's population.

Total revenue consists of general revenues as well as revenues from specific sources. General revenues consist of taxes (primarily on property, income and sales) and income from general services such as the operation of highways and parks. Other revenues are derived from other governmental units and the operation of government owned utilities, liquor stores and insurance trusts.

Per capita figures for personal income are not the average wage or salary in the state, but the amount each man, woman and child would get if the total income in the state were divided by the total population.

Total direct expenditure is the amount spent by governments for their own purposes, thus excluding amounts transferred to other levels of governments. Therefore, the amount that a state government may transfer to a subordinate governmental unit for, say schools, is not included as an expenditure item for the states, but is included as a revenue item, and an expenditure, of the local unit.

Outstanding debt includes both long-term and short-term obligations -- all judgments, mortgages, revenue bonds, general obligation bonds and notes outstanding at the end of the year.

FINANCES OF STATE AND LOCAL GOVERNMENTS, FISCAL 1960

(Figures may not add to totals because of rounding)

STATE	1	2	3	4	5	6	7	8	9
	TOTAL REVENUE (in millions)	GENERAL REVENUE PER CAPITA ²	TOTAL PERSONAL INCOME (in millions)	PERSONAL INCOME PER CAPITA	RANK IN PER CAPITA INCOME	TOTAL DIRECT EXPENDITURES (in millions)	DIRECT GENERAL EXPENDITURES PER CAPITA ²	DEBT OUTSTANDING AT END OF FISCAL YEAR (in millions)	POPULATION (1960 Census)
ALABAMA	\$ 802.2	\$200.00	\$ 4,785	\$1,462	48	\$ 848.2	\$217.17	\$ 944.8	3,273,000
ALASKA	101.1	384.21	629	2,735	7	96.7	345.18	98.4	228,000
ARIZONA	493.6	308.12	2,650	2,011	29	495.6	309.10	464.2	1,318,000
ARKANSAS	401.8	204.36	2,397	1,341	50	392.7	197.99	334.9	1,788,000
CALIFORNIA	7,210.5	373.67	43,448	2,741	6	7,190.9	379.85	6,745.2	15,850,000
COLORADO	692.0	346.64	4,079	2,320	15	686.6	344.14	661.5	1,758,000
CONNECTICUT	798.1	278.02	7,295	2,863	3	879.1	311.77	1,636.1	2,548,000
DELAWARE	145.5	285.30	1,353	3,013	1	164.6	335.63	311.9	449,000
D. OF C.	275.2	336.35	2,292	3,008	2	294.0	353.28	147.5	762,000
FLORIDA	1,554.4	269.28	9,938	1,988	31	1,588.8	283.18	1,695.3	5,000,000
GEORGIA	992.7	221.85	6,349	1,608	43	971.1	222.36	1,054.8	3,949,000
HAWAII	250.9	350.31	1,442	2,274	17	258.5	369.16	316.9	642,000
IDAHO	222.4	288.52	1,205	1,796	40	216.0	284.35	136.9	671,000
ILLINOIS	3,264.4	272.83	26,425	2,613	9	3,381.6	286.68	4,164.4	10,113,000
INDIANA	1,318.3	248.26	10,192	2,179	22	1,348.1	255.76	1,109.0	4,677,000
IOWA	928.7	290.40	5,531	2,003	30	916.3	293.84	418.8	2,761,000
KANSAS	731.5	303.17	4,504	2,068	26	710.2	290.54	787.5	2,178,000
KENTUCKY	665.4	192.39	4,702	1,543	47	672.9	198.16	560.8	3,047,000
LOUISIANA	1,110.4	308.72	5,245	1,604	44	1,152.5	322.81	1,369.6	3,270,000
MAINE	307.5	262.83	1,851	1,900	34	313.3	256.06	246.1	974,000
MARYLAND	936.8	261.59	7,460	2,394	11	960.5	269.22	1,675.9	3,116,000
MASSACHUSETTS	1,776.8	295.49	13,016	2,519	10	1,826.8	297.35	2,602.4	5,167,000
MICHIGAN	2,804.7	288.74	18,225	2,322	14	2,843.0	302.22	2,407.2	7,848,000
MINNESOTA	1,229.1	312.32	7,036	2,054	27	1,308.1	328.98	1,216.2	3,426,000
MISSISSIPPI	497.0	208.17	2,557	1,173	51	546.9	230.96	593.9	2,180,000
MISSOURI	1,105.7	225.86	9,522	2,199	21	1,119.8	232.12	965.7	4,331,000
MONTANA	277.0	351.03	1,368	2,018	28	266.1	334.22	171.7	678,000
NEBRASKA	505.1	254.24	2,988	2,113	24	524.7	268.60	573.7	1,414,000
NEVADA	142.0	418.75	819	2,844	4	137.0	420.83	93.8	288,000
NEW HAMPSHIRE	202.5	259.28	1,263	2,074	25	202.5	275.21	171.8	609,000
NEW JERSEY	1,866.7	262.75	16,256	2,665	8	1,801.1	256.86	2,573.5	6,099,000
NEW MEXICO	342.2	324.43	1,730	1,806	39	332.9	308.87	237.2	958,000
NEW YORK	7,431.9	365.75	46,927	2,789	5	7,573.0	374.21	12,604.0	16,827,000
NORTH CAROLINA	1,119.3	201.45	7,184	1,574	45	1,047.3	195.09	949.8	4,563,000
NORTH DAKOTA	236.5	350.32	1,104	1,741	41	248.9	368.93	110.7	634,000
OHIO	3,270.1	261.27	22,778	2,339	12	3,278.4	273.43	3,377.3	9,739,000
OKLAHOMA	714.0	279.90	4,318	1,848	36	713.0	282.17	657.9	2,333,000
OREGON	766.5	342.36	4,005	2,259	19	737.5	342.92	638.2	1,773,000
PENNSYLVANIA	3,350.9	231.46	25,700	2,266	18	3,565.8	256.70	4,531.6	11,343,000
RHODE ISLAND	262.4	256.59	1,909	2,228	20	254.6	255.66	307.2	857,000
SOUTH CAROLINA	530.8	198.75	3,341	1,397	49	490.4	183.11	516.8	2,392,000
SOUTH DAKOTA	233.0	312.32	1,256	1,842	38	223.8	301.47	65.4	682,000
TENNESSEE	975.5	204.93	5,522	1,545	46	1,006.2	216.99	1,237.0	3,573,000
TEXAS	2,713.5	246.95	18,508	1,924	32	2,685.2	246.26	3,617.5	9,617,000
UTAH	326.7	307.03	1,711	1,910	33	320.5	306.70	223.4	896,000
VERMONT	144.6	317.65	727	1,859	35	146.0	326.85	91.5	391,000
VIRGINIA	1,021.3	204.80	7,351	1,848	37	1,013.1	213.10	991.8	3,978,000
WASHINGTON	1,302.9	334.09	6,626	2,317	16	1,337.6	332.73	2,133.0	2,860,000
WEST VIRGINIA	492.5	217.72	3,109	1,674	42	478.5	217.34	458.4	1,857,000
WISCONSIN	1,255.9	282.74	8,605	2,171	23	1,263.4	290.16	854.7	3,964,000
WYOMING	176.2	470.48	775	2,334	13	168.2	454.22	101.3	332,000
TOTAL	\$60,276.7	\$280.62 ³	\$400,002	\$2,223 ³	--	\$60,998.5	\$288.24 ³	\$69,955.1	179,977,000

¹ Includes revenues from the Federal Government.² Revenues from and expenditures for utilities, liquor stores and insurance trusts are not included in per capita calculations. However, funds received from the Federal Government, such as highway and welfare grants, are included.³ U.S. average.

SOURCE: U. S. CENSUS BUREAU

STATE INCOME TOPPED SPENDING IN FISCAL 1960

State governments in fiscal 1960 reversed a trend and for the first time since fiscal 1957 took in more money than they spent.

A Census Bureau report on state finances for fiscal 1960 showed that the total revenue of the governments of the 50 states was \$35,151,000,000 while expenditures amounted to \$32,496,000,000 -- a favorable balance of \$2,655 billion. In fiscal 1959 the states spent approximately \$435 million more than their revenues and in fiscal 1958 about \$238 million more.

The May 15 report showed that both state income and expenditures continued to rise in fiscal 1960, once again reaching new all-time highs. Revenues during the year rose 11.9 percent over the fiscal 1959 figure and expenditures rose 2 percent. Both figures continued a substantial rise in both spending and income during the post World War II period. Between 1951 and 1960, the Bureau reported, state income rose from \$15.6 billion to \$35.2 billion. In the same period, state government spending jumped from \$15.3 billion to \$32.5 billion.

1960 Figures

The report showed that in fiscal 1960, the 50 states:

Borrowed \$2,312,000,000, but spent only \$900,000,000 to help pay off existing debts. Generally the states which borrowed the most also had the most revenue. California, New York and Pennsylvania took in \$4.2 billion, \$3.9 billion and \$2.3 billion respectively, and, in the same order, borrowed \$441 million, \$576 million and \$243 million. The exception to this rule was Connecticut which ranked fourth in amounts borrowed -- \$123 million -- but ranked 22nd in total revenue.

Collected taxes of \$18,036,000,000 in fiscal 1960, or about two-thirds of the total of \$27,364,000,000 collected in general revenues. (For breakdown of preliminary state tax revenue estimates for fiscal 1960, see Weekly Report p. 544.)

In intergovernmental revenues -- payments to the state governments by the Federal Government and local government units -- collected \$6,745,000,000. About 95 percent of this amount came from the Federal Government, largely in grants for various state government programs or local programs for which the state in effect acted as the Federal Government's disbursing agency. (For report on federal grants-in-aid, see Weekly Report p. 615)

Spent \$27,228,000,000 under the category of general expenditures. This included \$8.9 billion for education, \$7.3 billion for highways, \$3.7 billion for public welfare, \$2.1 billion for health and hospitals and \$5.3 billion for miscellaneous items including natural resources, public safety housing and community redevelopment.

Highlights

Additional information from the Census report showed the following highlights.

- Liquor store operations by 16 states cost \$907 million during fiscal 1960, but brought in \$1.1 billion.

Increases Since 1951

The following figures show annual increases in state government revenues and expenditures (including borrowing and debt service) since fiscal 1951, in billions of dollars. Hawaii and Alaska are included in fiscal 1959 and 1960 figures only.

Fiscal Year	State Revenues	State Spending
1951	\$15.6	\$15.3
1952	17.9	16.3
1953	19.4	17.3
1954	21.0	19.2
1955	21.8	20.9
1956	24.3	22.2
1957	26.2	24.9
1958	28.5	28.7
1959	31.4	31.8
1960	35.2	32.5

- Insurance programs cost the states \$3.5 billion to operate and provided \$4.3 billion in revenue. The programs covered unemployment, accident and disability insurance and employee retirement programs.

- Per capita revenue, covering all items, came to \$196.85 and per capita expenditures amounted to \$181.99. The largest expenditures were made on education, \$49.60 per person, and the next largest on highways, \$40.98 per person.

- Only four states -- Louisiana, Massachusetts, North Dakota and Rhode Island -- spent more than they took in during fiscal 1960. Expenditure and revenue figures, however, included the amount borrowed and the amount spent in order to help pay off existing debts. Each of these states paid out more to reduce existing debts than they borrowed. This was not the case for many states.

Finance Categories

Charts I and II show revenues and expenditures by state for fiscal 1960. Chart III shows revenue and expenditures for all states for fiscal 1956 through fiscal 1960.

The Census Bureau reported revenue in six main categories -- borrowing, taxes, liquor stores, insurance trusts, intergovernmental and others. In addition to these items, Chart I shows the percentage of increase or decrease in general revenues from fiscal 1959 to fiscal 1960, per capita amounts in general revenue for each state and debts outstanding at the end of fiscal 1960 for each state.

(Continued on page 1788)

CHART I

STATE REVENUE SOURCES IN FISCAL 1960 . . .

STATE	1 RANK IN INCOME	2 TOTAL REVENUE	3 BORROWING	4 TAXES	5 LIQUOR STORE REVENUE	6 INSURANCE TRUST REVENUE	7 INTER-GOVERNMENTAL REVENUE	8 OTHER	9 % OF CHANGE IN GENERAL REVENUE FROM 1959	10 PER CAPITA REVENUE (GENERAL REVENUE ONLY)	11 DEBT OUTSTANDING AT END OF FISCAL 1960
Ala.	17	\$ 642.9	\$ 99.1	\$ 273.7	\$ 48.4	\$ 31.0	\$ 150.9	\$ 39.8	12.6%	\$142	\$ 241.0
Alaska	50	74.6	----	27.1	----	6.1	33.3	8.1	53.9	303	2.9
Ariz.	33	296.1	----	165.0	----	40.7	61.6	28.8	17.2	196	12.4
Ark.	34	280.3	1.7	158.1	----	16.0	86.8	17.7	6.8	147	105.9
Calif.	1	4,194.2	441.3	2,124.4	----	705.7	685.4	237.4	10.7	194	2,088.0
Colo.	31	364.6	6.6	192.5	----	30.4	89.4	45.7	5.4	187	70.5
Conn.	22	543.9	123.0	238.1	----	67.5	59.0	56.3	10.8	139	902.5
Del.	44	144.3	31.1	70.8	----	9.9	16.9	15.6	3.7	231	219.6
Fla.	11	852.0	39.5	521.7	----	71.6	179.6	39.6	15.8	150	282.8
Ga.	19	619.7	5.9	369.1	----	49.8	159.7	35.2	9.9	143	295.3
Hawaii	36	218.7	13.8	124.2	----	18.1	45.3	17.3	13.3	295	195.7
Idaho	45	141.1	.8	69.0	13.0	9.1	38.6	10.6	11.3	177	7.0
Ill.	6	1,482.7	30.6	836.4	----	197.8	344.4	73.5	18.2	124	675.6
Ind.	16	690.2	7.0	399.4	----	64.8	133.3	85.7	10.4	133	408.5
Iowa	24	528.6	2.0	265.8	44.4	32.1	146.5	37.8	5.9	163	53.9
Kan.	32	353.8	.6	206.6	----	16.3	94.8	35.5	1.8	155	202.3
Ky.	27	435.7	3.9	228.5	----	41.5	132.0	29.8	9.2	128	147.0
La.	12	831.9	16.9	452.7	----	46.9	204.4	111.0	.5	236	354.7
Maine	38	205.7	17.9	86.9	25.7	16.2	43.5	15.5	6.7	151	136.2
Md.	21	585.5	60.6	343.6	----	70.9	67.5	42.9	6.2	146	584.1
Mass.	9	875.1	23.2	491.1	----	109.2	193.5	58.1	6.2	144	1,289.9
Mich.	5	1,741.4	89.2	913.9	167.9	196.4	238.9	135.1	9.2	165	775.7
Minn.	15	691.8	62.8	352.6	----	53.5	147.7	75.2	9.9	169	282.6
Miss.	29	379.4	40.1	194.3	----	18.5	101.8	24.7	4.6	147	180.6
Mo.	20	589.3	1.8	312.9	----	56.3	192.0	26.3	5.1	123	85.4
Mont.	40	171.0	5.4	64.9	16.1	17.9	49.9	16.8	5.0	195	49.0
Neb.	39	186.1	3.9	91.1	----	10.1	59.2	21.8	6.8	122	13.1
Nev.	49	88.6	1.4	44.9	----	16.7	18.8	6.8	5.3	247	4.1
N. H.	43	145.4	17.3	41.8	27.8	11.8	36.2	10.6	15.5	146	92.1
N. J.	8	878.9	67.9	365.2	----	216.3	133.4	96.1	11.4	98	914.9
N. M.	35	244.3	3.4	123.2	----	15.8	59.0	42.9	-2.2	237	50.7
N. Y.	2	3,879.3	576.0	1,961.0	----	699.4	447.9	195.0	21.2	155	2,902.1
N. C.	13	755.1	20.3	459.4	----	65.5	152.7	57.2	14.6	147	276.3
N. D.	42	155.8	1.5	60.8	----	9.7	49.9	33.9	6.5	229	14.6
Ohio	4	1,911.7	70.5	872.7	209.0	340.3	312.5	106.7	15.1	133	910.8
Okla.	26	473.6	2.2	275.4	----	21.3	122.5	52.2	-2.5	193	193.4
Ore.	25	495.3	9.8	208.3	49.6	76.1	106.1	45.4	18.5	203	281.2
Pa.	3	2,309.1	243.1	1,032.9	258.5	355.7	297.6	121.3	12.9	128	1,446.7
R. I.	41	159.4	1.1	86.1	----	34.1	30.1	8.0	7.2	144	96.4
S. C.	28	406.4	24.6	235.5	----	23.7	88.8	33.8	18.7	150	271.6
S. D.	47	122.7	1.0	53.0	----	3.2	43.8	21.7	7.6	174	6.3
Tenn.	23	532.6	15.3	304.6	----	41.5	148.4	22.8	11.1	133	123.6
Texas	7	1,440.0	20.2	792.8	----	107.6	368.6	150.8	10.0	137	324.8
Utah	37	214.6	5.1	100.4	17.0	15.3	61.7	15.1	19.1	199	14.5
Vt.	48	105.8	13.6	43.5	8.7	5.7	27.3	7.0	22.3	200	42.1
Va.	18	624.3	2.2	291.7	117.1	38.0	104.9	70.4	11.8	118	188.3
Wash.	10	871.3	42.2	460.8	78.7	113.2	117.0	59.4	5.4	223	420.3
W. Va.	30	378.9	14.7	180.1	37.4	44.9	84.5	17.3	12.2	152	296.7
Wis.	14	710.6	23.6	426.2	----	79.5	128.4	52.9	11.2	154	55.0
Wyo.	46	125.5	5.9	41.5	8.2	7.3	48.6	14.0	10.4	315	8.7
TOTAL		\$35,151	\$2,312	\$18,036	\$1,128	\$4,347	\$6,745	\$2,583	11.9%	\$153	\$18,543

Figures (except per capita revenue) in millions of dollars.
Columns may not add to totals because of rounding.

SOURCE: U.S. CENSUS BUREAU

CHART II

... AND HOW STATES SPENT THEIR MONEY

STATE	1 RANK IN EXPENDITURES	2 TOTAL EXPENDITURES	3 EDUCATION	4 HIGHWAYS	5 PUBLIC WELFARE	6 HEALTH & HOSPITALS	7 LIQUOR STORE EXPENDITURES	8 INSURANCE TRUST	9 DEBT REDEMPTION	10 OTHER	11 % OF CHANGE FROM 1960	12 PER CAPITA EXPENDITURES
Ala.	19	\$ 574.4	\$ 174.3	\$ 150.1	\$ 81.2	\$ 26.7	\$ 37.5	\$ 30.0	\$ 9.1	\$ 65.5	15.6%	\$173
Alaska	50	56.1	21.9	4.3	4.4	4.5	---	6.2	---	14.8	11.9	248
Ariz.	34	262.3	82.8	62.6	25.2	7.1	---	21.6	.3	62.7	14.9	201
Ark.	33	269.6	74.5	72.9	46.4	15.9	---	14.7	7.9	37.3	2.3	147
Calif.	1	3,648.6	1,243.3	555.9	434.7	172.0	---	532.7	65.4	644.6	4.7	228
Colo.	32	335.5	90.3	75.1	80.8	22.2	---	22.3	3.3	41.5	.9	189
Conn.	21	540.7	90.7	116.1	53.4	44.5	---	57.2	93.8	85.0	-10.6	176
Del.	43	137.3	50.9	26.8	7.7	9.2	---	6.9	17.2	18.6	-13.0	269
Fla.	11	772.0	260.0	219.4	78.7	53.6	---	40.3	7.2	112.8	8.2	154
Ga.	17	583.4	202.4	131.3	92.3	38.8	---	33.9	19.1	65.6	-.4	143
Hawaii	36	198.8	52.3	20.5	9.7	14.3	---	9.7	6.7	85.6	15.8	304
Idaho	45	131.5	29.2	44.2	11.2	6.3	9.6	9.5	.4	21.1	3.6	197
Ill.	6	1,385.0	302.9	426.0	232.7	91.3	---	151.6	22.4	158.1	-8.6	135
Ind.	13	674.2	223.2	206.8	37.3	44.4	---	59.4	5.7	97.4	5.0	143
Iowa	24	487.8	99.4	169.8	54.4	29.8	33.4	20.0	4.0	77.0	-.5	175
Kan.	31	336.1	90.0	105.6	41.0	26.1	---	22.2	.8	50.4	-6.5	154
Ky.	27	445.1	113.3	152.7	58.8	21.6	---	33.2	5.7	59.8	.8	145
La.	9	854.9	242.2	184.2	162.6	52.0	---	44.3	25.0	144.6	3.5	255
Maine	38	185.7	28.5	54.3	22.3	11.8	19.6	16.5	4.3	28.4	1.0	187
Md.	22	526.3	119.5	121.7	27.3	51.3	---	58.3	35.0	113.1	-2.3	158
Mass.	8	979.9	105.4	176.5	140.8	86.5	---	126.9	65.6	278.2	1.1	178
Mich.	5	1,684.2	519.3	349.1	132.5	103.5	139.0	161.5	42.4	236.9	-4.4	210
Minn.	16	643.9	224.2	156.5	57.9	48.7	---	51.5	12.3	92.8	-1.9	185
Miss.	28	363.5	123.4	93.2	52.0	16.7	---	15.0	12.8	51.4	2.0	161
Mo.	20	561.7	142.2	136.1	140.7	37.0	---	41.7	3.0	63.7	-1.9	130
Mont.	40	161.2	36.6	45.3	13.5	6.7	13.2	19.3	2.1	24.5	.2	236
Neb.	39	177.0	34.5	72.7	20.8	15.5	---	8.4	.4	24.7	4.7	125
Nev.	49	80.4	23.3	21.6	4.5	2.2	---	11.7	.2	16.9	2.2	281
N. H.	44	133.8	16.5	43.0	8.8	7.8	21.8	7.7	11.0	17.2	3.7	202
N. J.	12	726.0	147.9	136.6	54.7	52.3	---	181.5	27.3	125.7	-5.3	115
N. M.	35	226.5	96.6	52.0	25.9	10.4	---	10.3	5.1	26.2	2.9	233
N. Y.	2	3,425.2	815.5	543.1	309.0	325.3	---	554.9	108.0	769.4	1.5	198
N. C.	14	660.9	264.3	138.7	59.7	43.0	---	39.3	17.4	98.5	4.8	141
N. D.	42	157.5	39.1	55.1	13.4	6.3	---	9.7	1.7	32.2	9.8	246
Ohio	4	1,744.4	293.2	465.2	177.4	97.6	169.1	275.0	57.6	209.3	.9	174
Oklahoma	25	463.5	131.3	103.6	127.5	23.1	---	21.7	6.2	50.1	-3.0	196
Ore.	26	455.5	108.7	109.3	42.8	23.7	33.3	50.5	11.8	75.4	3.4	251
Pa.	3	2,207.1	566.5	369.3	195.9	145.6	220.2	308.9	75.2	325.5	2.6	188
R. I.	41	159.7	23.0	32.3	23.2	13.7	---	26.0	6.4	35.1	-6.4	178
S. C.	30	351.3	110.5	92.2	30.2	18.6	---	14.5	21.6	63.7	.7	138
S. D.	46	117.4	26.5	50.1	13.3	4.7	---	2.3	.1	20.4	6.9	172
Tenn.	23	504.5	149.2	162.9	59.0	30.1	---	34.7	10.1	58.5	3.2	139
Texas	7	1,316.5	487.2	395.3	176.7	62.8	---	79.8	11.8	102.9	2.5	136
Utah	37	191.8	73.1	46.5	17.8	5.9	12.9	11.8	.3	23.5	7.6	215
Vt.	48	103.7	17.9	35.8	8.1	5.3	8.7	4.5	9.5	13.9	7.1	242
Va.	18	577.3	157.1	126.4	26.0	55.9	101.0	20.6	1.1	89.2	.2	145
Wash.	10	791.8	254.6	116.0	111.3	30.7	53.3	93.4	24.7	107.8	-2.1	269
W. Va.	29	358.7	98.3	88.9	39.4	30.7	26.9	42.3	12.7	19.5	-.5	186
Wis.	15	652.9	150.0	159.3	54.9	36.1	---	48.2	7.7	196.7	3.0	163
Wyo.	47	110.2	29.1	43.6	4.5	3.3	7.5	6.1	.9	15.2	4.1	331
TOTAL		\$32,496	\$8,857	\$7,317	\$3,704	\$2,072	\$907	\$3,461	\$900	\$ 527.8	1.5%	\$177

Figures (except per capita expenditures) in millions of dollars
 Columns may not add to totals because of rounding.

SOURCE: U. S. CENSUS BUREAU

(Continued from page 1785)

Spending was divided into eight major categories by the Census Bureau -- education, highways, public welfare, health and hospitals, liquor stores, insurance trusts, debt redemption and others. Chart II gives the figures for these eight groups, as well as the percentage of expenditure increase or decrease from fiscal 1959 to fiscal 1960 and the per capita expenditures for each state (costs of debt redemption are excluded from both computations).

California's revenue for fiscal 1960 -- \$4.2 billion -- was more than that of any other state; it also ranked first in expenditures during the same period, spending \$3.6 billion. Six states in addition to California took in more than \$1 billion in fiscal 1960 -- New York, Pennsylvania, Ohio, Michigan, Illinois and Texas. The same group spent more than \$1 billion during the year.

In both revenues and expenditures, Alaska ranked 50th, taking in only \$74.6 million and spending only \$56.1 million. Alaska was the only state which did not pay off any of its debt in fiscal 1960. Alaska and Arizona were the only states which did not borrow any money during the year.

State Debt

Aggregate state indebtedness at the end of fiscal 1960 amounted to \$18,543,000,000, a \$1.4 billion increase over the \$17.1 billion aggregate debt at the end of fiscal 1959. The states with the largest revenues and expenditures, generally also had the largest outstanding debt.

Trends

The financial operations of states have increased steadily since 1956. In that year, the total budget for 48 states was about \$22 billion; in fiscal 1960 it was about \$10 billion larger.

During the five-year period all revenues and expenditures have tended to increase, but in fiscal 1960 three items fell below the 1959 mark. The over-all income from local governments dropped by \$1 million to \$363 million. (See line eight under revenues, chart III) The amount states spent on insurance trusts went down from \$4.3 billion in fiscal 1959 to \$3.5 billion in fiscal 1960, or 18.8 percent, and the expenditures on highways dropped 4 percent from \$7.6 billion to \$7.3 billion. (See lines nine and four under expenditures, Chart III).

State Expenditures and Revenues, Fiscal 1956-1960

Category	Amount (in millions) ¹					Percent of Increase, Decrease 1959-1960	Per Capita 1960 ²
	1960	1959	1958	1957	1956		
EXPENDITURES							
Debt Redemption	\$ 900	\$ 723	\$ 619	\$ 670	\$ 524	24.6%	\$ 5.04
General Expenditures	27,228	26,006	23,537	21,087	18,857	4.7	152.49
(1) Education	8,857	8,050	7,325	6,553	5,679	10.0	49.60
(2) Highways	7,317	7,621	6,674	5,957	5,351	-4.0	40.98
(3) Public Welfare	3,704	3,533	3,191	2,770	2,672	4.8	20.74
(4) Health & Hospital	2,072	2,012	1,909	1,906	1,602	2.8	11.61
(5) Other	5,278	4,790	4,436	3,533	2,956	9.2	29.56
Liquor Stores	907	860	869	836	845	5.5	5.08
Insurance Trust	3,461	4,259	3,675	2,313	1,984	-18.8	19.38
TOTAL	\$32,496	\$31,848	\$28,700	\$24,906	\$22,210	2.0%	\$181.99
REVENUES							
Borrowing	\$ 2,312	\$ 2,249	\$ 2,271	\$ 1,502	\$ 2,121	2.8%	\$ 12.95
Liquor Stores	1,128	1,085	1,058	1,065	1,019	3.9	6.31
Insurance Trust	4,347	3,631	3,361	3,209	2,791	19.7	24.34
General Revenue	27,364	24,448	21,772	20,382	18,389	11.9	153.25
(1) Taxes	18,036	15,848	14,919	14,531	13,375	13.8	101.01
(2) Intergovernmental	6,745	6,252	4,764	3,928	3,296	7.9	37.77
Federal	6,382	5,888	4,462	3,500	3,027	8.4	35.74
Local	363	364	302	428	269	-0.4	2.03
(3) Other	2,583	2,348	2,089	1,923	1,718	10.0	14.47
TOTAL	\$35,151	\$31,413	\$28,462	\$26,158	\$24,320	11.9%	\$196.85

¹Figures may not add to totals because of rounding. Hawaii and Alaska included in 1959 figures only.

²Based on 1960 Census results.

SOURCE: U.S. CENSUS BUREAU

TREND SHOWS SMALLER DEFICITS IN MAJOR CITIES

Although the nation's major cities continue to spend more than they make, the trend in recent years has been to close the gap between total expenditures and revenues.

An August report by the Commerce Department's Census Bureau showed that 310 cities throughout the country with populations of 50,000 or more during fiscal 1960 spent \$15.3 billion but took in only \$14.9 billion. This compared with total expenditures in fiscal 1959 of \$14.5 billion and total revenues of \$13.7 billion.

Thus, total revenues of the 310 cities increased by 8.5 percent between fiscal 1959 and fiscal 1960, but expenditures increased by only 5.3 percent. At the same time, the differences between revenues and expenditures decreased by 50 percent -- from \$733 million in 1959 to \$336 million in 1960.

The Census report, called "Compendium of City Government Finances in 1960," showed that the greatest increase in income came from taxes on sales and gross receipts -- an increase of nearly \$200 million to \$1.2 billion from 1959 to 1960 for a rise of 16.9 percent. Property taxes increased by 7.8 percent to \$5.2 billion. Revenue from county, state and federal sources rose 7.7 percent to \$2.3 billion.

The greatest single expenditure increase between fiscal 1959 and fiscal 1960 was for housing and community redevelopment. For these purposes, in fiscal 1959, the

310 cities spent \$267 million and in fiscal 1960, \$464 million, an increase of 73.8 percent.

Chart I, below, shows in detail the total revenues and expenditures for the 310 largest cities in the United States (50,000 persons or more in the 1960 census.) The categories are compared with each of the immediate preceding years through 1956. The fiscal years for each of the cities do not necessarily coincide, but in each case the figures for 1960 were for the fiscal year ending in 1960. (Note: A city of 50,000 population should not be confused with the Standard Metropolitan Statistical Area which generally is a county, or group of counties, which contains at least one city of 50,000 inhabitants.)

Charts II and III give the population and revenues and expenditures, by categories, for the 43 largest cities in the United States, each of which has a population of 300,000 or more. Chart III also includes the debt outstanding for each city at the end of the 1960 fiscal year.

References

For further information on governmental spending in fiscal 1960, see Fact Sheet on state taxation, 1961 Weekly Report p. 544. For additional information on metropolitan areas, see Fact Sheet on federal advisory board recommendations, Weekly Report p. 1484.

CHART I

Revenues, Expenditures of 310 Cities, Fiscal 1956-60

Category	Amount (in millions) ¹					Percent of Increase, Decrease 1959-1960
	1960	1959	1958	1957	1956	
REVENUES						
General Revenue	\$11,647	\$10,639	\$ 9,895	\$ 9,285	\$ 8,442	9.5%
(1) Taxes	7,109	6,596	6,242	5,908	5,447	7.8
(2) Intergovernmental	2,321	2,155	1,953	1,756	1,566	7.7
(3) Miscellaneous	2,217	1,888	1,700	1,621	1,429	17.4
Utilities	2,790	2,671	2,525	2,378	2,154	4.5
Liquor Stores	71	62	61	60	58	14.5
Insurance trust	407	376	352	323	289	8.2
TOTAL	\$14,915	\$13,748	\$12,832	\$12,047	\$10,942	8.5
EXPENDITURES						
General Expenditures	\$11,818	\$11,093	\$10,442	\$ 9,692	\$ 8,522	6.5%
(1) Police, fire, roads	3,733	3,504	3,359	3,078	2,779	6.5
(2) Sanitation	1,332	1,316	1,248	1,156	1,662	1.2
(3) Health and recreation	1,350	1,326	1,214	1,162	1,036	1.8
(4) Public Welfare	608	581	530	496	479	4.6
(5) Education	1,801	1,694	1,636	1,474	1,237	6.3
(6) Housing and Urban renewal	464	267	323	247	224	73.8
(7) Other	2,531	2,404	2,132	2,078	1,708	5.3
Utilities	2,915	2,915	2,898	2,746	2,376	--
Liquor Stores	60	54	52	50	50	11.1
Insurance trust	458	419	383	352	317	9.3
TOTAL	\$15,251	\$14,481	\$13,775	\$12,839	\$11,265	5.3

¹Columns may not add to totals because of rounding.

SOURCE: U.S. CENSUS BUREAU

CHART II

FISCAL 1960 REVENUES OF 43 LARGEST CITIES . . .

CITIES (RANKED ACCORDING TO POPULATION)	1	2	3	4	5	6	7	8	9	10
	TOTAL REVENUE	PROPERTY TAXES	INCOME TAXES	TAX ON SALES AND GROSS RECEIPTS	LICENSE REVENUES	REVENUE FROM OTHER TAXES	REVENUE FROM STATE AND LOCAL GOVERNMENTS	REVENUE FROM FEDERAL GOVERNMENT	MISCELLANEOUS REVENUES	REVENUE FROM MUNICIPALLY OPERATED UTILITIES
New York, N.Y.	\$2,960.7	\$1,004.0	---	\$560.6	\$ 16.0	\$13.6	\$ 502.7	\$ 32.1	\$ 516.7	\$ 314.9
Chicago, Ill.	408.9	148.2	---	56.6	42.0	---	45.9	10.3	65.8	40.1
Los Angeles, Calif.	403.8	84.1	---	45.5	22.4	---	27.4	1.6	78.3	144.5
Philadelphia, Pa.	279.0	84.5	\$ 70.9	1.3	21.3	3.4	16.9	10.6	54.0	16.1
Detroit, Mich.	290.0	123.4	---	---	3.1	---	63.9	3.4	42.0	54.2
Baltimore, Md.	244.7	104.0	---	10.2	4.3	0.3	78.8	2.4	32.8	11.8
Houston, Texas	77.5	43.8	---	4.6	1.3	---	1.7	0.4	13.2	12.4
Cleveland, Ohio	132.0	46.1	---	0.4	0.9	0.8	12.8	3.2	17.5	50.3
Washington, D.C.	269.4	59.3	35.6	56.9	10.8	2.6	1.2	59.3	29.4	7.0
St. Louis, Mo.	91.1	29.9	14.8	11.8	8.6	---	2.6	0.6	15.8	6.9
San Francisco, Calif.	225.6	83.7	---	17.4	1.5	0.1	37.7	4.4	41.3	39.6
Milwaukee, Wis.	104.5	43.3	---	---	1.9	---	27.6	0.9	23.0	7.7
Boston, Mass.	224.2	144.1	---	---	2.5	0.3	52.0	---	19.1	6.1
Dallas, Texas	69.9	33.8	---	4.3	0.9	---	0.7	---	13.7	16.4
New Orleans, La.	69.8	14.5	---	13.4	3.6	---	11.8	2.1	18.6	5.7
Pittsburgh, Pa.	57.8	30.3	5.2	1.2	3.1	0.9	3.1	1.2	4.4	8.4
San Antonio, Texas	71.3	15.7	---	0.4	0.7	---	0.3	0.3	5.5	48.5
San Diego, Calif.	58.8	14.1	---	9.0	1.6	---	4.5	---	18.6	11.0
Seattle, Wash.	105.5	14.3	---	5.4	5.5	---	8.9	0.1	18.5	52.9
Buffalo, N.Y.	91.5	46.6	---	3.4	0.5	0.3	21.3	6.9	9.1	3.4
Cincinnati, Ohio	93.1	20.0	15.9	0.3	1.0	1.6	10.3	2.2	34.1	7.8
Honolulu, Hawaii	56.3	16.3	---	4.6	4.9	---	15.2	0.4	8.3	6.5
Memphis, Tenn.	131.2	21.4	---	3.7	3.1	---	24.1	1.0	13.8	64.0
Denver, Colo.	82.5	24.4	---	8.5	1.7	---	23.6	0.5	13.5	10.3
Atlanta, Ga.	45.8	13.2	---	4.0	3.3	---	4.4	0.3	14.2	6.3
Minneapolis, Minn.	59.9	30.0	---	1.0	1.6	0.1	7.3	---	15.0	4.8
Indianapolis, Ind.	34.7	24.7	---	---	0.2	---	5.1	---	4.6	---
Kansas City, Mo.	47.7	14.0	---	8.6	4.9	---	1.4	1.2	11.2	6.3
Columbus, Ohio	46.4	4.5	12.4	---	0.7	0.3	8.2	2.8	10.5	7.0
Phoenix, Ariz.	31.4	7.8	---	4.2	1.0	---	3.0	0.6	7.8	6.9
Newark, N.J.	92.7	63.5	---	7.9	1.0	---	9.6	---	5.3	5.3
Louisville, Ky.	48.9	9.9	10.8	0.6	1.2	---	0.8	2.5	17.6	5.4
Portland, Ore.	36.9	15.3	---	1.4	2.6	---	3.0	---	9.3	5.3
Oakland, Calif.	42.3	17.8	---	7.5	1.3	---	4.4	0.9	10.5	---
Fort Worth, Texas	29.8	12.9	---	0.7	0.5	---	0.4	0.1	9.3	5.9
Long Beach, Calif.	65.4	9.3	---	5.6	1.0	---	6.6	---	23.5	19.4
Birmingham, Ala.	27.3	5.6	---	1.1	4.1	---	3.4	0.6	6.8	5.8
Oklahoma City, Okla.	24.2	5.9	---	0.8	0.8	---	1.4	2.1	8.5	4.7
Rochester, N.Y.	65.8	30.4	---	0.7	0.2	0.2	21.6	1.1	7.4	4.1
Toledo, Ohio	34.5	5.7	8.6	---	0.4	0.4	4.2	1.5	10.0	3.8
St. Paul, Minn.	52.0	28.1	---	1.8	1.0	0.1	10.0	---	6.8	4.0
Norfolk, Va.	56.4	14.9	---	5.1	3.8	---	9.3	10.3	8.8	4.2
Omaha, Neb.	18.0	9.5	---	1.0	1.6	---	2.1	0.1	3.7	---
TOTAL ¹	\$7,459.0	\$2,572.8	\$174.2	\$871.5	\$194.9	\$24.8	\$1,101.1	\$168.1	\$1,298.0	\$1,046.1

Figures in millions of dollars

Columns may not add to totals because of rounding

SOURCE: U.S. CENSUS BUREAU

... AND HOW THEY SPENT THE MONEY

CHART III

CITIES (RANKED ACCORDING TO POPULATION)	1 POPULATION (IN THOUSANDS)	2 TOTAL EXPENDITURES	3 GENERAL MUNICIPAL SERVICES (POLICE, FIRE PROTECTION, ETC.)	4 PUBLIC WELFARE	5 EDUCATION	6 HEALTH & RECREATION	7 HOUSING AND COMMUNITY REDEVELOPMENT	8 OTHER SERVICES	9 UTILITIES	10 DEBT OUTSTANDING AT END OF FISCAL YEAR
New York, N.Y.	7,782	\$2,861.5	\$ 554.7	\$265.7	\$540.0	\$283.8	\$213.6	\$ 538.1	\$ 465.7	\$ 6,042.5
Chicago, Ill.	3,550	487.1	228.0	9.5	----	21.6	27.5	143.0	57.7	828.2
Los Angeles, Calif.	2,479	405.9	145.4	0.1	----	28.7	0.4	96.3	135.1	675.6
Philadelphia, Pa.	2,003	316.1	106.5	10.6	----	34.0	25.8	117.8	21.4	737.7
Detroit, Mich.	1,670	288.0	89.6	24.2	0.1	49.1	10.4	66.0	48.7	441.9
Baltimore, Md.	939	234.3	69.7	21.8	65.8	19.0	6.2	41.3	10.6	318.4
Houston, Texas	938	85.7	42.1	----	----	11.6	----	17.8	14.1	245.6
Cleveland, Ohio	876	127.7	46.8	1.1	----	9.4	3.2	23.3	43.9	252.1
Washington, D.C.	764	284.2	84.5	20.9	55.7	46.3	12.4	50.5	8.8	79.5
St. Louis, Mo.	750	97.6	33.6	0.8	0.1	27.5	2.7	21.8	11.1	79.1
San Francisco, Calif.	743	215.6	45.1	30.8	4.7	24.8	7.5	57.8	44.9	252.4
Milwaukee, Wis.	741	107.4	57.4	----	----	7.1	1.9	25.8	15.2	161.3
Boston, Mass.	697	216.6	45.0	39.5	38.3	26.9	1.6	62.7	2.6	154.8
Dallas, Texas	680	65.9	32.8	0.1	----	5.4	----	16.1	11.6	166.2
New Orleans, La.	628	70.5	29.9	0.4	0.7	4.2	0.1	28.2	7.0	122.1
Pittsburgh, Pa.	604	60.3	30.4	0.1	----	4.0	2.5	17.0	6.3	71.6
San Antonio, Texas	588	75.9	18.9	0.2	----	2.5	0.1	6.1	48.1	112.0
San Diego, Calif.	573	53.5	22.2	----	----	6.7	0.5	13.7	10.4	44.7
Seattle, Wash.	557	106.5	28.0	----	----	6.7	----	17.2	54.6	206.7
Buffalo, N.Y.	533	91.6	25.9	----	32.2	5.0	10.2	14.2	4.0	145.6
Cincinnati, Ohio	503	95.2	33.1	2.7	16.9	12.7	5.1	15.8	8.9	178.8
Honolulu, Hawaii	500	70.2	25.4	0.9	14.4	5.9	----	13.2	10.3	100.2
Memphis, Tenn.	498	129.6	23.3	0.2	29.1	10.4	0.8	10.6	55.1	267.7
Denver, Colo.	494	86.9	16.8	22.8	----	9.5	0.5	18.5	18.8	146.4
Atlanta, Ga.	487	58.2	27.3	----	----	2.7	1.1	20.8	6.2	110.8
Minneapolis, Minn.	483	57.1	20.9	2.4	----	10.6	----	18.9	4.2	48.4
Indianapolis, Ind.	476	38.7	24.4	----	----	2.7	2.6	9.0	----	82.1
Kansas City, Mo.	476	45.0	18.5	0.1	----	8.4	1.0	10.0	7.1	138.5
Columbus, Ohio	471	48.1	21.6	0.3	----	3.3	4.2	11.4	7.4	90.7
Phoenix, Ariz.	439	42.4	15.9	----	----	2.4	2.8	7.3	14.0	87.2
Newark, N.J.	405	88.8	25.6	2.9	32.4	9.2	0.8	14.1	3.8	71.6
Louisville, Ky.	391	44.4	15.4	0.7	8.6	4.4	2.6	8.3	4.4	145.1
Portland, Ore.	373	42.5	17.3	----	----	8.1	----	10.5	6.5	40.2
Oakland, Calif.	368	37.8	18.7	----	----	3.7	0.2	15.1	----	29.0
Fort Worth, Texas	356	28.9	16.3	0.2	----	2.6	----	4.9	4.9	85.8
Long Beach, Calif.	344	78.1	14.9	----	----	14.8	----	28.0	20.4	39.2
Birmingham, Ala.	341	30.0	10.9	----	1.5	1.8	0.1	6.8	8.9	91.9
Oklahoma City, Okla.	324	25.9	8.1	----	----	1.6	----	11.6	4.5	88.9
Rochester, N.Y.	319	66.5	19.1	----	26.2	4.8	2.2	12.1	2.1	54.4
Toledo, Ohio	318	35.4	16.5	0.8	5.9	2.6	0.9	5.2	3.4	27.3
St. Paul, Minn.	313	56.0	16.4	1.6	16.7	3.9	----	10.6	6.8	71.6
Norfolk, Va.	306	57.1	9.9	4.1	15.7	3.2	10.8	10.8	2.5	111.0
Omaha, Neb.	302	19.3	14.3	----	----	1.5	----	3.6	----	18.5
TOTAL ¹	37,381	\$7,534.3	\$2,167.6	\$465.4	\$905.1	\$755.0	\$362.2	\$1,651.6	\$1,222.2	\$13,263.0

*Figures in millions of dollars*¹Columns may not add to totals because of rounding.

SOURCE: U.S. CENSUS BUREAU

U.S. AIDS CONSUMERS WITH 253 ACTIVITIES

The Federal Government performs 253 activities which protect and aid the consumer, ranging from investigation of quack medical products to determination of the fairness of bridge tolls. Almost \$953 million is spent annually for activities directly aiding the consumer.

According to a Sept. 20 House Government Operations Committee report based on questionnaires filled out by 35 federal departments and agencies, some 65,000 federal employees work full time to carry out those activities. Of the 35 agencies queried, 33 perform some form of consumer aid.

However, despite this reported "substantial involvement by the Federal Government in activities affecting consumer interests or protecting the general public", the report said nine agencies considered available personnel, equipment and appropriations inadequate for at least one of their programs. Eight agencies consider the legal authority for certain programs inadequate.

Legal Authority

The report said the eight agencies which consider legal authority for certain programs insufficient plan to submit or have submitted legislative recommendations to Congress designed to provide that authority. Requests for additional authority include the following:

Agriculture Department. The Department intends to request legislation extending the jurisdiction of the Federal Meat Inspection Act to meat which does not move in interstate commerce but is derived from livestock which has moved in interstate commerce. Existing law covers only slaughtered meat which has travelled in interstate commerce and, as a result, 20 percent of all commercially slaughtered meat is not federally inspected.

Civil Aeronautics Board. The Board has proposed legislation to prevent airline "ticket scalplings," regulate rates and practices in foreign aid transportation and clarify CAB authority to examine books and records to prevent "improper practices."

Commerce Department. The Department intends to recommend legislation to clarify the role of the Business and Defense Services Administration in establishing commodity standards.

Federal Power Commission. The Commission considers its legal authority generally adequate but has recommended amendments to the Federal Power Act and the Natural Gas Act to "facilitate the regulatory process."

Federal Trade Commission. The Commission asked Congress for authority to issue temporary cease-and-desist orders in cases involving alleged unfair trade practices pending final decisions by the Commission. (Weekly Report p. 1552)

Health, Education and Welfare. The Department intends to strengthen legislation applicable to the Food and Drug Administration. It proposes giving the

Kennedy on Consumers

Before and after his election, President Kennedy made the following statements on consumer protection:

"As the constant increases in utility rates and the cost of living in general reveal, the consumer is the only man in our economy without a high-powered lobbyist in Washington. I intend to be that lobbyist." Springfield, Ohio, Oct. 17.

"I want to take this opportunity to announce my intention -- if elected President -- to appoint a Consumer Counsel in the Office of the President. It will be the function of this Counsel to represent the interests of consumers in the administrative procedures of the Government, and in the Congressional procedures of the Government." Bronx, N.Y., Nov. 5.

"This Administration intends to meet its obligations, both moral and statutory, necessary for a more satisfactory life for all Americans, without regard to race, creed or color. Consumer protection is a first order of national and community business." April 17 telegram to the annual conference of the Council on Consumer Information.

FDA authority to make studies of production procedures and controls utilized by establishments manufacturing and processing food; requiring manufacturers, wholesalers and retailers of dangerous drugs to be registered and subject to FDA inspection; requiring new drugs to be proven effective before being marketed; requiring reporting of all adverse reactions to drugs; requiring certification of all antibiotics in use; requiring that therapeutic devices be proved safe and effective before being placed on the market; requiring that cosmetics be pretested for safety before being marketed.

HEW also intends to propose legislation for the Public Health Service to strengthen milk sanitation activities and provide a legal basis for the current voluntary shellfish sanitation program.

Justice Department. The Antitrust Division supports pending legislation to compel production of documents needed to decide whether civil or criminal antitrust action is called for in specific cases. Under existing law, compulsory production of documents can be obtained only through grand jury investigation in cases where criminal action may be called for. (Weekly Report p. 952)

The Antitrust Division also supports legislation to require prior notice of intended mergers and information relating to the effect of such mergers on competition. (Weekly Report p. 841)

Securities and Exchange Commission. The SEC has recommended amendments to the Securities Act of 1933,

the Securities and Exchange Act of 1934 and the Investment Company Act of 1940 to provide additional authority for the Commission and strengthen criminal laws for offenses involving trading of securities.

On the reported lack of inadequate available personnel for consumer aid programs, the report said agencies generally commented that inadequacies had resulted because they were unable to pay salaries competitive with the demand for such highly trained personnel

from commerce and industry. It said the reported lack of needed equipment and facilities by several departments was also attributed to inadequate funds.

A bill (S 1688) to set up a cabinet-level Department of Consumers was introduced April 20 by Sen. Estes Kefauver (D Tenn.) with 16 co-sponsors, but no further action was taken. President Kennedy's Nov. 5 promise to appoint a Consumer Counsel in the Office of the President (see box) also remains unfulfilled.

Sampling of Federal Consumer Protection Activities

Following is a sampling of the 253 consumer activities listed in the House Government Operations Committee report, divided into 11 categories:

- REGULATION -- Direct consumer activities include: regulation of air carrier rates by the Civil Aeronautics Board; determination of reasonableness of bridge tolls by the Army Corps of Engineers; regulation of stockyards by the Agricultural Research Service; regulation of concessions operating in the National Park Service by the Interior Department; enforcement of marine inspection and safety regulations by the Coast Guard; regulation of marketing of perishable agricultural commodities by the Agricultural Marketing Service; registration of securities to prevent frauds by the Securities and Exchange Commission.

Indirect consumer activities include: approval of redevelopment plans for urban renewal by the Urban Renewal Administration; air accident investigations by the Civil Aeronautics Board; enforcement of the Clayton Antitrust Act by the Federal Trade Commission.

- LICENSING -- Direct consumer activities include: licensing of commercial radio and television stations by the Federal Communications Commission; licensing of manufacture of products containing radioactive materials by the Atomic Energy Commission.

Indirect consumer activities include: licensing of aircraft radios by the Federal Communications Commission; licensing of non-federal hydroelectric projects by the Federal Power Commission.

- INSPECTION OF PRODUCTS, FACILITIES AND PRACTICES -- Direct consumer activities include: inspection of poultry by the Agricultural Marketing Service; inspection of drug manufacturing establishments, products and labels by the Food and Drug Administration; inspection of property for reasonable value and suitability for dwelling on loans guaranteed by the Veterans Administration.

Indirect consumer activities include: procurement inspection and quality control activities by the Defense Department; regular examinations of member banks by the Federal Deposit Insurance Corporation.

- PREVENTION OF ECONOMIC CHEATS -- Direct consumer activities include: prevention of false advertising and other deceptive practices in commerce by the Federal Trade Commission; regulation of alcoholic beverage advertising to prevent consumer deception by the Treasury Department; investigation of illegal activities such as illegal drug sales, bogus therapeutic devices and quack medical products by the Food and Drug Administration; "degree mill" identification and listing by the Office of Education; prevention and suppression of fraudulent enterprises involving use of the mails by the Post Office Department.

Indirect activities include: suppression of the use of improperly obtained, misleading or deceptive trademarks by the Federal Trade Commission.

- ENFORCEMENT OF STATUTES -- Direct activities include: prosecution of cases involving violations of consumer protection statutes by the Justice Department.

Indirect activities include: prosecution of cases involving attempts to defraud the Government by the Justice Department; control of counterfeiting by the Treasury Department.

- HEALTH PROTECTION AND SAFETY ACTIVITIES -- Direct activities include: water supply and pollution abatement activities by the Public Health Service; testing for radioactivity of foods by the Food and Drug Administration.

Indirect activities include: development of standards for home shelters and foods for long-term storage in case of enemy attack by the Office of Civil and Defense Mobilization; marine warnings by the Weather Bureau.

- CLASSIFICATION AND STANDARDIZATION ACTIVITIES -- Direct activities include: grading of meat and other agricultural commodities under the Agricultural Marketing Act by the Agricultural Marketing Service.

Indirect activities include: standardization of weights and measures by the Bureau of Standards.

- CONSUMER INFORMATION AND EDUCATION -- Direct activities include: home economics programs in secondary schools by the Office of Education; publication of accredited higher institutions and education directory by the Education Office.

Indirect activities include: review of pending legislation from the consumer standpoint by the Business and Defense Services Administration; provision of Consumer Price Index through the Bureau of Labor Statistics.

- PROMOTION AND DEVELOPMENT -- Direct activities include: making loans for the extension of electric and telephone service to consumers in rural areas by the Rural Electrification Administration; insurance of bank deposits by the Federal Deposit Insurance Corporation.

Indirect activities include: settling labor disputes in the airline and railroad industries by the National Mediation Board; influencing of flow of money and credit in accordance with the needs of the economy by the Federal Reserve Board.

- CONSERVATION -- There are no direct conservation consumer activities. Indirect activities include: soil and water conservation activities by the Commodity Stabilization Service and Soil Conservation Service; storage of agricultural commodities acquired under price support program by the Commodity Stabilization Service.

- MISCELLANEOUS ACTIVITIES -- Direct activities include: clearance of fund-raising among federal employees by the Civil Service Commission; protection against theft of property in the mails by the Post Office Department.

Indirect activities include: improvement of quality of drugs and medical supplies through procurement activities.



CONGRESSIONAL QUARTERLY

The Week In Congress

Elections of '61 Off-year elections are being watched closely for any trends of partisan significance. Key races are a Texas House seat (San Antonio), the New Jersey Governorship, the New York Mayoralty and a Pennsylvania Supreme Court Justice election. Congressional Quarterly's Fact Sheet surveys all Governorship, State Legislature, Congressional and municipal elections (in cities of more than 100,000 population) being held during 1961 and pinpoints areas to watch for important trends. (Page 1775)

Business Council

Three Administration officials gave optimistic reports on the state of the nation at a meeting of the Business Council, predicting a balanced budget for fiscal 1963 and good prospects for price stability -- and revealing hitherto undisclosed facts on the U.S. defense posture. Their presence before big business leaders was regarded as a "peace move" to repair damage done when the group, as the Business Advisory Council, had a run-in with Commerce Secretary Hodes and gave up its quasi-official status. (Page 1772)

Around the Capitol

Democratic leaders discussed 1962 prospects for legislation on trade laws, school aid, medical care, welfare and conservation. Senate Majority Leader Mansfield said an Administration proposal for renewal of expiring reciprocal trade agreements would be one of the most controversial items.... The cost of living rose to a record high, chiefly because of increases in clothing prices.... Former President Eisenhower criticized Administration fiscal policies as "confusing" and called the Peace Corps a "juvenile experiment." (Page 1773-74)

Consumer Protection

The Federal Government spends nearly \$1 billion annually on 253 activities which protect and aid the consumer, ranging from investigation of quack medical products to determination of the fairness of bridge tolls. Some 65,000 employees work full time in 33 federal agencies to carry out these activities. A CQ Fact Sheet summarizes the current consumer aids and outlines departmental legislative proposals for further strengthening of protection activities in several key areas. (Page 1792)

Governmental Finances

State and local governments together spend only slightly more than half what the Federal Government spends during the year. In fiscal 1960 all three levels combined spent \$151 billion, while at the same time they took in an aggregate of \$154 billion. Details showed that as a general rule revenues are greater than direct expenditures on the federal and state levels, but not on the local level. Three Congressional Quarterly Fact Sheets, with state and city charts, discuss governmental financing in fiscal 1960.

STATE AND LOCAL GOVERNMENTS -- At the state and local level, government operations cost a combined total of \$61 billion, but the same units took in only about \$60 billion. (Page 1783)

STATE GOVERNMENTS -- At the state level only, revenues -- including federal grants -- exceeded expenditures: the 50 units took in \$35.2 billion, but spent only \$32.5 billion. (Page 1785)

CITY GOVERNMENTS -- The nation's 310 largest cities operated on a deficit budget -- they spent \$15.3 billion, but took in only \$14.9 billion. (Page 1789)

Pressures on Congress

Cardinal Cushing Oct. 21 said Catholics should not stand in the way of federal aid to education excluding parochial schools. Cardinal Spellman earlier in the year had said the 1961 school bill should be defeated if it did not include equal aid for public and private schools.... The Episcopal Church Sept. 28 endorsed federal aid, when requested, for birth control programs in foreign countries.... The National Grange Oct. 1 indicated a split between it and the Kennedy Administration over methods for controlling crop surpluses.... The ADA Oct. 8 said the "main thrust of Birchism points directly to the heart of the Republican party. (Page 1774)

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